5

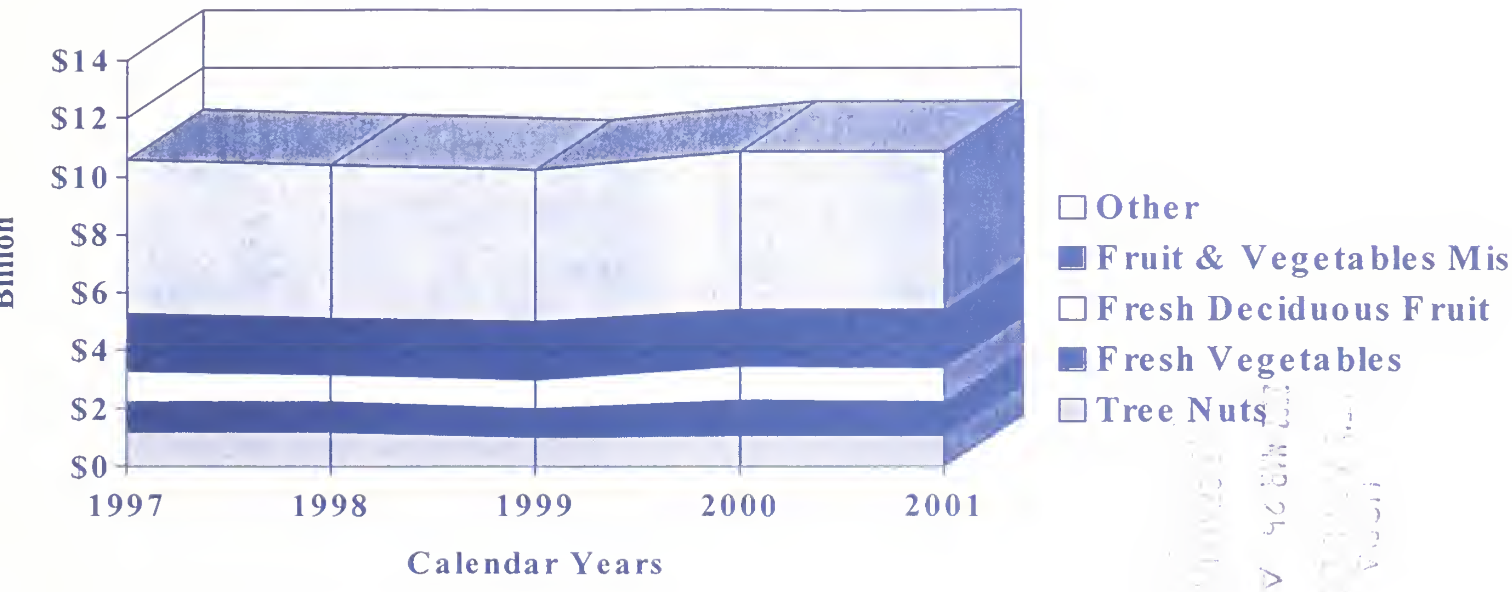
United States Department of Agriculture

Foreign Agricultural Service

Circular Series
FHORT 03-02
March 2002

World Horticultural Trade and U.S. Export Opportunities

U.S. Horticultural Exports Reached $11 Billion in CY 2001



Source: U.S. Bureau of the Census

U.S. exports of horticultural products in calendar year (CY) 2001 to all countries totaled $11 billion, up 2 percent from shipments in CY 2000. The top 5 markets for U.S. horticultural products in CY 2001 were Canada, up 2 percent to $3.33 billion; the EU, up 4 percent to $2.03 billion; Japan, down 6 percent to $1.61 billion; Mexico, up 14 percent to surpass the $1 billion mark; and Hong Kong, down 9 percent to $398 million. Some products that showed increases in CY 2001 were fresh fruit (up 2 percent to $2.13 billion), tree nuts (up 3 percent to $1.14 billion), and miscellaneous horticultural products (up 3 percent to $1.94 billion). On the other hand, some categories declined in CY 2000, such as fresh vegetables (down 3 percent to $1.14 billion) and fruit and vegetable juices (down 5 percent to $713 million). U.S. horticultural exports have benefited from growth in emerging markets that have recently opened to U.S. products and from markets in which U.S. companies are beginning to market new products. U.S. horticultural product exports in CY 2001 also benefited from increased supplies of fruits and vegetables, more competitive prices, and continued promotion efforts.

[Check Out the New U.S. Trade Internet System Website. Go to http://www.fas.usda.gov/ustrade]

For further information, contact:
U.S. Department of Agriculture - Foreign Agricultural Service
Horticultural and Tropical Products Division
1400 Independence Ave., S.W. Stop 1049
Washington, DC 20250-1049
Telephone: 202-720-6590
Fax: 202-720-3799
http://www.fas.usda.gov/htp

Frank Tarrant, Director
Scott Bleggi, Deputy Director for Marketing
Brian Grunenfelder, Deputy Director for Analysis

ANALYSIS		
Nancy Hirschhorn	202-720-2974	Situation & outlook supervisor, publication editor, export forecast coordinator, briefing paper coordinator, key development coordinator
Erik Hansen	202-720-0875	Tree nuts, processed vegetables (excl. potatoes), EU trade policy, circular team & homepage coordinator
Bob Knapp	202-720-4620	Canned deciduous fruit, sugar
Edwin Lewis	202-720-5028	Kiwifruit, stone fruit, nursery products, avocados, NAFTA quarterly report, circular web team
Emanuel McNeil	202-720-2083	Fresh vegetables (excl. potatoes), cut flowers
Heather Page Velthuis	202-720-9792	Wine, brandy, table grapes, grape juice
Debra A. Pumphrey	202-720-8899	Fresh and processed citrus, coffee, trade questions on tea, cocoa, essential oils & spices, & information technology coordinator
Rey Santella	202-720-0897	Dried fruit, berries, beer/hops, melons, circular web team
Sam Rosa	202-720-6086	Fresh deciduous fruit, trade issues database coordinator, apple juice, olives, mushrooms
Ryan Scott	202-720-6877	Special projects, circular web team, tropical fruit
Martin Patterson	202-720-7304	Policy issues coordinator for subsidies & tariff issues, tariff rate quotas & licensing, trade agreements, multilateral policy issues, biotechnology issues, SPS/food safety/quality issues coordinator, bilateral technical & policy issues
MARKETING		
Steve Shnitzler	202-720-8495	Apricots, avocados, ginseng, pomegranates, Bartlett pears, kiwi
Ted Goldammer	202-720-8498	Potatoes (marketing & analysis), apples, hops, sweet cherries, QSP
Sonia Jimenez	202-720-0898	Citrus, winter pears, peaches, plums, nectarines, Section 108
Kristin Kezar	202-690-0556	Tart cherries, canned fruit, papaya, melons, raisins
Elizabeth Mello	202-720-9903	Vegetables, berries, Cochran/EMO programs, Produce Marketing Association (PMA), Chocolate Manufacturers Association
Ingrid Mohn	202-720-5330	Tree nuts, prunes (dried plums)
Elias Orozco	202-720-6791	Honey (analysis & marketing), website updates
Yvette Wedderburn Bomersheim	202-720-0911	Wine, brandy, grape juice, table grapes, Export credit programs

Table of Contents

Export Summary

U.S. exports of horticultural products to all countries in December totaled $869 million, a drop of 4 percent from the same month a year earlier. The categories with increases in December were tree nuts (up 6 percent to $115 million), essential oils (up 8 percent to $47 million), miscellaneous products (up 12 percent to $175 million), and wine and beer (up 1 percent to $52 million). The categories with the most significant decreases were fresh fruit (down 17 percent to $133 million), fresh vegetables (down 14 percent to $103 million), and processed fruit (down 11 percent to $49 million).

December exports to Mexico were up 24 percent to $27 million, while exports to Korea rose 21 percent from December 2000 to $27 million. Exports to most major markets declined in December, with sharp declines in sales to Japan (down 10 percent to $108 million), Hong Kong (down 24 percent to $38 million), China (down 15 percent to $16 million), and Taiwan (down 53 percent to $15 million).

Exports for the October-December 2001 period were down almost 3 percent from the same period in 2000 to $2.9 billion. Tree nut exports were up about 2 percent to $470 million for the October-December 2001 period, while essential oils exports were up 10 percent to $160 million, and miscellaneous products rose about 2 percent to $524 million. Processed vegetables remained at the same level as the October-December 2001 period ($459 million). All other categories declined. Exports to Canada, the European Union, and Japan fell 2 percent, 3 percent, and 8 percent respectively, during the first quarter of fiscal year (FY) 2002, compared with the same period in FY 2001. The fastest growing markets for FY 2002 to date are: Venezuela, up 22 percent; Mexico, up 18 percent; Korea, up 18 percent, and China, up 7 percent. Export to most other major markets declined during the October-December 2001 period from the same period in 2000.

To access FAS Attache Reports online, please reference the following Internet address:

http://www.fas.usda.gov/scriptsw/attacherep/default.asp

Search through the country and market reports prepared by FAS attaches covering over 20 horticultural and tropical product commodities and nearly 130 countries. Search by keyword, including country and commodity.

What's New on the Homepage?

The Horticultural & Tropical Products Division has introduced an enhanced feature on its homepage designed to bring the latest information to the public as efficiently as possible. The site will contain information on policy and technical developments affecting trade in horticultural commodities, as well as selected reports submitted by FAS overseas offices and special reports prepared by the division. The information will typically remain on the site for approximately one month, before being archived. For further information on this new feature, please contact Nancy Hirschhorn (202) 720-2974. Go to http://www.fas.usda.gov/htp/ and click on "What's New?"

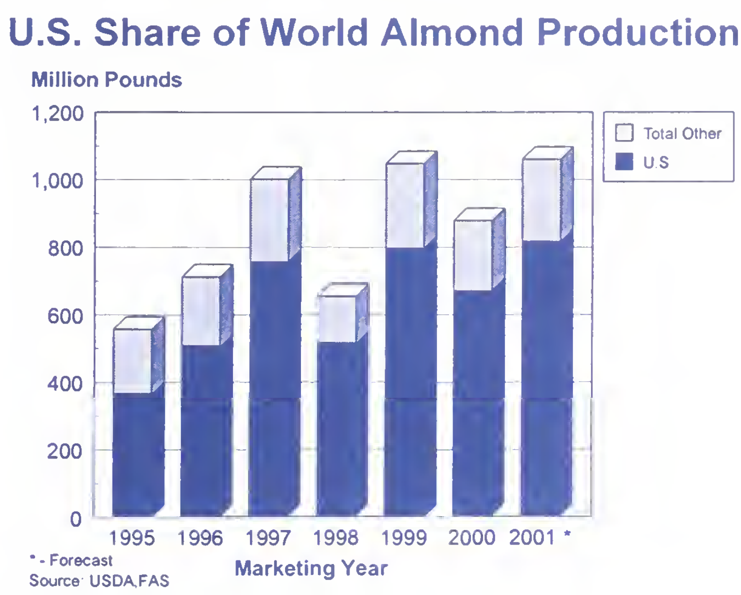
TREE NUT SITUATION UPDATES

This report updates the tree nut situation for selected countries published in the November 2001 issue of *World Horticultural Trade & U.S. Export Opportunities*.

Almonds

Overview of Global Production & Trade

Almond production in selected countries in 2001/02 is forecast to increase 21 percent to 481,335 tons, due to increased output in all major almond-producing countries. As a result, total world almond supply has to 597,876 and total exports from selected countries in 2001/02 are forecast to increase 6 percent to 310,778 tons. U.S. almond exports are forecast at 249,478 tons, 4 percent above last year due to a much larger crop. Spain expects an 11-percent increase for their almond production in 2001/02, due to favorable weather conditions in most growing areas. Exports in 2001/02 are forecast at 55,000 tons, up 9 percent from last year, due mostly to the larger crop. While there is no price support program for tree nuts, the EU does have an improvement plan that is implemented in Spain's almond sectors. Up to 475 Euros/hectare may be provided to growers to plant improved, higher-yielding varieties.



The United States

U.S. almond production in 2001/02 is forecast at a record 370,135 tons, a 22-percent increase from the previous year. This increase in output is based on 212,461 bearing hectares, a 5-percent increase from 2000/01. Total U.S. almond supplies in 2001/02 are forecast at 418,053 tons, up 9 percent from the previous season, due to the large increase in production. With the cyclical nature of almonds, the 2001 season began with growers expecting a much heavier set than last year. However, weather conditions have been less than ideal, resulting in reduced expectations for the 2001 crop. Low temperatures and rain during the critical bloom period decreased the ability of bees to successfully pollinate many orchards across the producing areas of California. Despite the poor weather conditions, yields are expected to be 2 percent above the previous record of 361,362 tons set in 1999.

As a result of the expected increase in world production of almonds in 2001/02, U.S. almond grower prices are expected to decline from the 2000/01 levels. U.S. almond grower prices have been declined tremendously during the last five years. From 1996/97 to 2000/01, U.S. almond prices have dropped by 51 percent. Low world almond prices do, however, encourage consumption and in the past, have boosted U.S. exports to record levels. For this reason, it is expected that 2001/02 will see worldwide record levels of exports to a forecasted 310, 778 tons.

The United States Department of Agriculture forecasts U.S. almond exports at 249,478 tons for 2001/02, based on industry information. Low world almond prices are expected to boost exports. In 2000/01, shelled almonds, including prepared and preserved, accounted for 91 percent of total U.S. almond exports. Major buyers of U.S. shelled almonds were the European Union (primarily Germany, Spain, and the Netherlands), accounting for 53 percent, and Asia (primarily India, Japan, and China) purchasing 29 percent. Asia is the most significant importer of in-shell almonds, purchasing nearly 79 percent of total U.S. in-shell exports in 2000/01.

Competitor Countries

Italy's almond production for 2001/02 is forecast at 20,000 tons, double last year's meager crop. Weather conditions in Italy have remained very favorable during the whole season and trees are expected to produce at almost their maximum capacity. Furthermore, some observers tie the production increase to the cyclical crop fluctuation, which is more pronounced in Italy's aging almond trees.

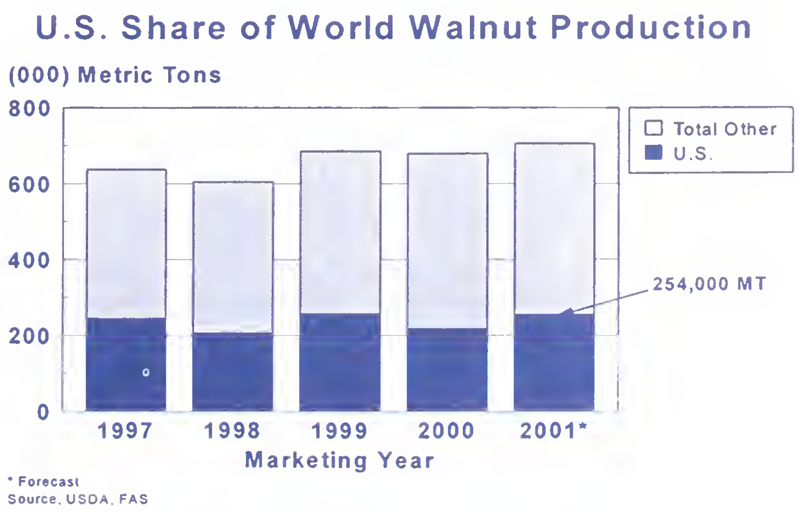
Spain's almond production in 2001/02 is estimated at 59,000 tons, due to favorable weather conditions in most growing areas. Exports in 2001/02 are forecast at 55,000 tons, up 9 percent from last year, due mostly to the larger crop. Other European Union (EU) countries (Germany, France, and Italy) purchase about 93 percent of Spain's exports. Almond imports in 2001/02 are forecast to increase 31 percent from last year. The United States continues to be the dominant foreign supplier of almonds to Spain. While there is no price support program for tree nuts, the

EU does have an improvement plan that is implemented in Spain's almond sectors. Up to 475 Euros/hectare may be provided to growers to plant improved, higher-yielding varieties. While this program was expected to end in 2001, Spanish nut growers secured a one-year extension. Spain's government and industry seek another extension of the program until the implementation of the new fruit and vegetable regime, which is scheduled in principle, to take place in 2003.

Walnuts

Overview of Global Production & Trade

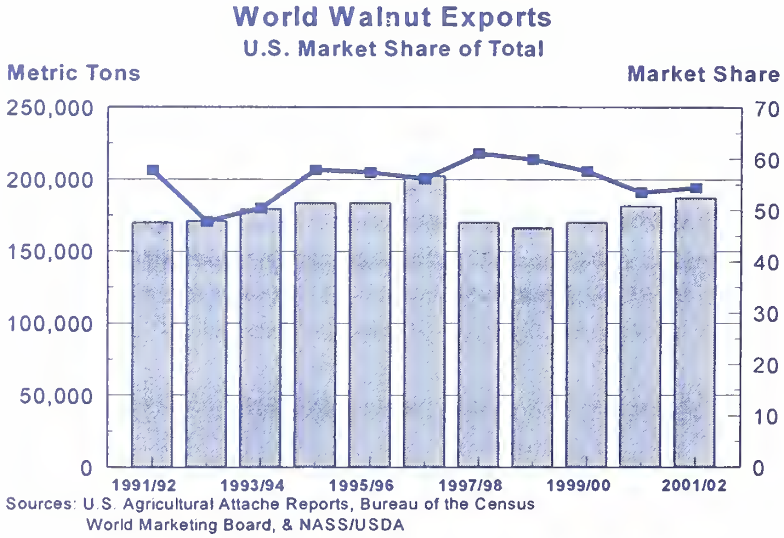
Walnut production in selected countries in 2001/02 is forecast to increase 4 percent to 706,416 tons, due to a major increase in output in the United States. Consequently, total world walnut supply has also increased to 830,208 tons in 2001/02. Total exports from selected countries in 2001/02 are forecast to increase 2 percent to 184,225 tons, due to higher production in the United States. U.S. walnut exports are forecast at 100,225 tons, 3 percent above last year due to a much larger crop. China has seen its walnut production surge for the last several years because of increased planting and bearing acreage, improved walnut varieties, and better tree management. Walnut production in 2000/01 surpassed the initial forecast by 10,000 tons. India expects a 10-percent drop from last year's record crop due to lower yields caused by early-season droughts and the trees' alternating bearing pattern. Adequate rains averted a much larger decline in March and April, which supported the crop during flowering and fruiting (April/May). Turkey expects the 2001/02 walnut crop to reach 68,000 tons, a slight decrease from last year. This was due mainly to unusually hot and dry weather conditions.



The United States

The 2001/02 U.S. walnut crop is forecast at 254,016 tons, 17 percent above last year's crop, due to the alternate-bearing nature of the crop. U.S. exports in 2001/02 are expected to reach 100,225 tons, up 3 percent from the previous year, due to higher production and strong worldwide demand. In 2000/01, U.S. grower prices increased 37 percent from the previous year, reversing a three-year declining trend. The major increase in U.S. production of walnuts forecast for 2001/02 is expected to lower grower prices once again. However, this should spur world consumption and contribute to higher levels of U.S. exports in 2001/02. Shipments to Mexico,

Australia, Egypt, and some Latin America countries were down in 2000/01 from 1999/00 but were up for Canada, Japan, Israel and the major European markets. The 2001/02 walnut crop is on the way to being the second largest on record and is expected to contain probably the best quality of any walnut crop harvested in California. This large quality crop, combined with support from the Market Access Program (MAP), as well as publicity following the publication of the several health studies showing the health benefits associated with walnut consumption, is expected to translate into a good export year for walnuts. Exports to MAP-targeted countries of Canada, Germany, Italy, Israel, Japan, Korea and Spain are all slated to grow from 5 to 20 percent over the next 3 years. Spain, Japan, and Germany are still the top three markets, reflecting the strong consumer base in these countries. Also, Germany is the traditional trade center for nuts.



Competitor Countries

China has seen its walnut production upsurge for the last several years because of increased planting and bearing acreage, improved walnut varieties, and better tree management. Walnut production in 2000/01 surpassed the initial forecast by 10,000 tons. This was primarily due to the bearing cycle of walnut trees in Southern China and to very favorable weather conditions. However, walnut production in 2001/02 is forecast at 310,000 tons, the same as last year.

India expects a 10-percent drop from last year's record crop due to lower yields caused by early-season droughts and the trees' alternating bearing pattern. Adequate rains averted a much larger decline in March and April, which supported the crop during flowering and fruiting (April/May). Tighter supplies and strong export demand are likely to keep domestic prices firm, resulting in some consumer shift from walnuts to imported U.S. almonds during 2001/02. However, next year's walnut crop should be much larger due to the high yielding phase of the alternating bearing pattern and the maturation of new trees.

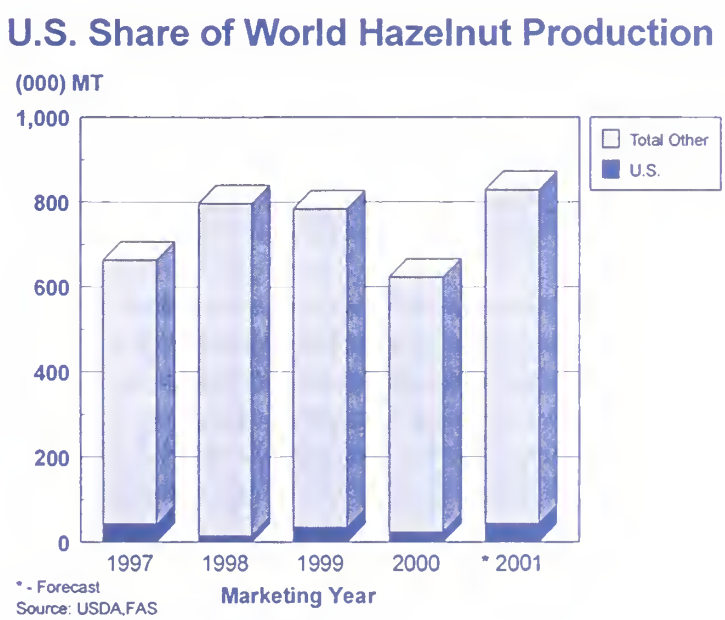
Turkey expects the 2001/02 walnut crop to reach 68,000 tons, a slight decrease from last year. This was due mainly to unusually hot and dry weather conditions. Walnuts grow naturally throughout most of Turkey and in the past, they were generally not cultivated but simply

harvested from natural forests. However, during the last couple of decades, increasing demand and prices have made walnut cultivation more attractive, leading to increased investment in cultivation. The lack of a systematic crop survey and widely divergent estimates from government and non-official sources make it difficult to accurately estimate production. However, sources agree that walnut production is expected to gradually rise in the next 3-5 years, as new trees with improved varieties reach bearing age and acreage is increased. Per capita consumption is relatively stable in Turkey, with 50 percent of the crop production used for home consumption and the remainder marketed. Most of the marketed walnuts are consumed whole, with only a limited amount being processed. Walnut trade is very limited. Most imports are inexpensive, lower quality nuts from neighboring countries. Higher quality domestic nuts are usually exported.

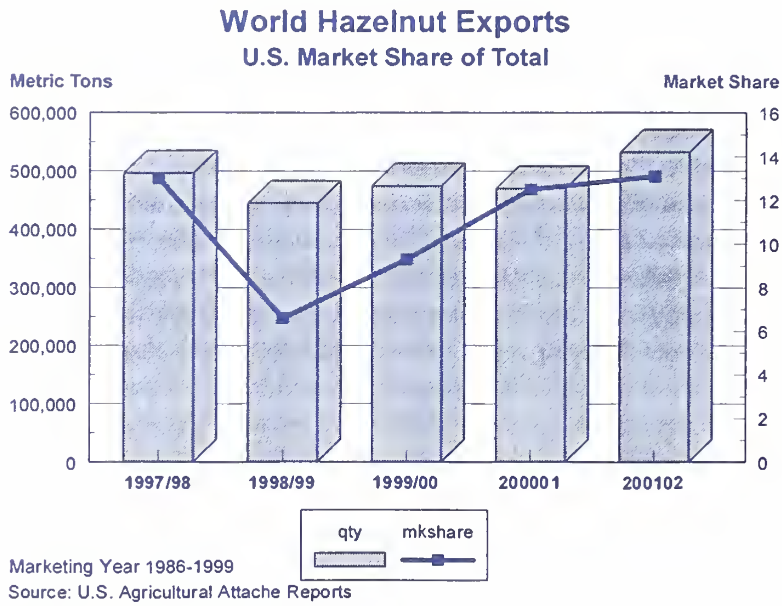
Hazelnuts

Overview of Global Production & Trade

Hazelnut production in selected countries in 2001/02 is forecast to increase 31 percent to 801,545 tons, due to increased output in all major hazelnut-producing countries. Total world hazelnut supply has also increased from 998,168 tons in 2000/01 to 1,061,456 tons in 2001/02. This is due in large part to the large increase in world production and Turkey's larger carryover stocks. Total exports from selected countries in 2001/02 are forecast to increase 12 percent to 521,950 tons, due to higher production in all countries. U.S. hazelnut exports are forecast at 27,750 tons, 73 percent above last year due to a much larger crop. Future world production and supplies will be strongly influenced by the outcome of Turkey's implementation of reforms in conjunction with the International Monetary Fund's (IMF) that will gradually phase out its hazelnut support price. Turkey is the world's largest hazelnut producer accounting for about 70 percent of world supply.



The United States
Based on the recent Oregon Objective Measurement Survey, U.S. hazelnut production in 2001/02 is forecast at 43,545 tons, up 92 percent from the previous year's harvest and 26 percent above the 1999/00 production. Oregon produces almost the entire crop, except for an estimated 270 tons from Washington. Oregon's production is expected to be a record for the second time in the past four years. Exports in 2001/02 are forecast at 27,750 tons, up 122 percent from the previous year's shipments, due to the much larger output. However, U.S. exports will face substantial international competition from lower-priced Turkish product, as Turkey gradually phases out price supports to FISKOBIRLIK (The Union of Hazelnut Sales Cooperative). Hazelnut prices are expected to remain relatively stable, despite higher production.



Competitor Countries
Turkey's 2001/02 crop is estimated at 600,000 tons, up 22 percent from last year, due to favorable weather conditions before harvest. Hazelnut production is one of the most important economic activities in the country, employing an estimated 385,000 growers. Most of these grow hazelnuts to supplement their primary income, own about 1 to 2.5 hectares, and use family labor at harvest. Only a few large growers rely on hazelnut production as their primary income. There are approximately 536,000 hectares in production, although this is difficult to verify, given the lack of systematic crop surveys.

Following through on its commitments to the International Monetary Fund (IMF) to reduce inflation, the Government of Turkey (GOT) is trying to reduce the large production surplus, by gradually lowering the hazelnut support price. On August 18, 2001, the general director of FISKOBIRLIK announced the MY 2001/02 procurement prices, which are differentiated by the type of hazelnut. Levant type hazelnuts, which are an estimated 70-80 percent of the total production, will receive the support price of TL 1,500,000 ($1.06/kg), compared with last year's price of TL 1,100,000 ($2.30/kg). The announcement has not been well received by growers. Although the MY 2001 price is 36 percent higher in nominal terms that it was the previous year, inflation was 65 percent during the last 12 months and devaluation of the Turkish Lira was about

225 percent. FISKOBIRLIK is expected to procure between 100,000 and 150,000 tons of hazelnuts in 2001/02, although the quantity purchased will be determined by the amount and timeliness of payments provided by the Turkish government.

Turkey accounts for more than 80 percent of the world hazelnut trade and, through FISKOBIRLIK, largely determines world export prices. Indicative export prices in early August were around $280.00 per 100 kilograms compared to $300.00 a year earlier. Export prices dropped recently to $225.00 after FISKOBIRLIK announced the new procurement price. In 2001/02, exports are forecast at 420,000 tons, up 4 percent from last year. Although 78 percent of Turkish exports go to the EU, Turkey is trying to expand markets in Asia, the former Soviet Union countries, as well as the United States, where it is involved in a joint promotion program with U.S. growers to increase U.S. hazelnut consumption. About 70 percent of Turkey's hazelnut exports comprise raw kernels, with the remaining 30 percent being processed kernels, including roasted, sliced, and chopped hazelnuts, paste, meal, and flour.

Italian hazelnut production in 2001/02 is estimated to be 135,000 tons, 63 percent above last year's poor crop, due to cyclical crop fluctuation and favorable weather conditions. Imports are expected to decrease 25 percent, due to increased production. Imports of shelled hazelnuts from the United States and Turkey dropped to zero in 2000/2001, due to the cheap price of Turkish product and increased supplies of competing hazelnuts from the EU. Exports for 2001/02 are forecast at 3,000 tons, 36 percent above last year's level, due to the larger crop. In 2000/01, exports fell by 14 percent, due primarily to aggressive Turkish competition in Italy's main hazelnut export markets (Germany, France, and Switzerland). Reduced domestic supplies in 2000/01 (due to the poor Italian crop) strengthened the market, and prices of Italian hazelnuts averaged about 13 percent more than the previous year, despite the increasing imports of shelled hazelnuts from Turkey. The forecast of large crops both in Turkey and Italy, on the other hand, will likely depress the market during the next marketing year.

The EU program favoring domestic hazelnut producers (which provided payment of 15 Euros per 100 kg, in-shell basis) has expired and the EU has adopted no new support actions. This is despite strong grower support for these measures in order to counteract competition from Turkey. The EU Commission will probably produce a draft proposal by the end of this year, to be discussed by the Council next year, although budget constraints will limit the impact of such a new policy initiative.

Spain's 2001/02 hazelnut crop is estimated to reach a record 35,000 tons, more than double last year's crop of 16,000 tons, due to the crop's alternate bearing cycle and unusually rainy weather during the summer of 2001. Hazelnut exports are expected to increase and imports are expected to decrease as a result of the much larger crop. The United States represents about 5 percent of Spain's total hazelnut imports and continues to face stiff competition from lower-priced Turkish product, which accounts for 65 percent of Spain's imports. All Turkish hazelnut exports to Spain are shelled, while U.S. exports are in-shell. The bulk of the hazelnut crop is consumed in-shell, with the confectionary and chocolate industries consuming 60-70 percent of total supplies.

While there is no price support program for tree nuts, the EU does have an improvement plan that is implemented in both Spain's hazelnut and almond sectors. Up to 475 ECU/hectare may

be provided to growers for varietal improvement of their orchards. The Government of Spain and industry continue to seek an extension of the Program until the implementation of the new fruit and vegetable regime begins, in principle scheduled for 2003. Spanish nut growers have argued for an extension of this program. Given competition from Turkish product, Spanish hazelnut growers consider this program vital to their future competitiveness and are expected to oppose the most recent EU proposal for reform of the fruit and vegetable regime, which calls for a significant cut in subsidies.

(For more information on production and trade, contact Erik Hansen at 202-720-0875. For information on marketing, contact Ingrid Mohn at 202-720-5330. Also, please visit the tree nuts commodity page: http://www.fas.usda.gov/htp/horticulture/nuts.html for the latest information on almonds, walnuts, pistachios, hazelnuts, pecans, and macadamia nuts.)

ALMONDS: PRODUCTION, SUPPLY, AND DISTRIBUTION IN SELECTED COUNTRIES

Country/ Marketing Year 1/	Beginning Stocks	Production	Imports	Total Supply	Exports	Domestic Consumption	Ending Stocks
				Metric tons, shelled basis			
Greece							
1999/2000	3,623	17,000	2,000	22,623	2,800	14,700	5,123
2000/2001	5,123	15,500	2,500	23,123	1,000	16,000	6,123
2001/2002	6,123	17,200	2,000	25,323	2,800	16,500	6,023
2002/2003 F	6,023	16,000	2,000	24,023	2,600	16,500	4,923
Italy							
1999/2000	1,000	17,000	16,400	34,400	2,000	30,400	2,000
2000/2001	2,000	10,000	16,000	28,000	2,200	24,800	1,000
2001/2002	1,000	20,000	12,000	33,000	3,000	28,000	2,000
2002/2003 F	2,000	15,000	15,000	32,000	2,000	28,000	2,000
Spain							
1999/2000	0	66,000	34,000	100,000	43,000	52,000	5,000
2000/2001	5,000	53,000	32,000	90,000	51,000	38,500	500
2001/2002	500	59,000	42,000	101,500	55,000	46,000	500
2002/2003 F	500	59,000	43,000	102,500	55,000	47,000	500
Turkey							
1999/2000	1,000	14,000	2,000	17,000	200	14,800	2,000
2000/2001	2,000	15,500	2,500	20,000	500	16,500	3,000
2001/2002	3,000	15,000	2,000	20,000	500	17,000	2,500
2002/2003 F	2,500	15,000	2,000	19,500	500	17,000	2,000
United States 2/ 3/ 4/ 5/							
1999/2000	41,656	361,362	103	403,121	228,171	95,185	79,765
2000/2001	79,765	303,700	28	383,493	239,802	95,853	47,838
2001/2002	47,838	370,135	80	418,053	249,478	99,781	68,794
2002/2003 F	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total							
1999/2000	47,279	475,362	54,503	577,144	276,171	207,085	93,888
2000/2001	93,888	397,700	53,028	544,616	294,502	191,653	58,461
2001/2002	58,461	481,335	58,080	597,876	310,778	207,281	79,817
2002/2003 F	N/A	N/A	N/A	N/A	N/A	N/A	N/A

1/ Marketing Years: August-July for the United States; September-August for Spain, Italy, Turkey; October-September for Greece.
2/ U.S. import data are from Bureau of the Census with input from the Almond Board of California (ABC). Import forecast originates with the Foreign Agricultural Service (FAS)/USDA.
3/ The U.S. domestic shelling ratios for exports and imports for 1998/99 and 1999/00 are .554 and .559 respectively and originate from the National Agricultural Statistics Service (NASS)/USDA. For 2000/01 and 2001/02, FAS used shelling ratios of .593 and .582 respectively, averages based on the three preceding years.
4/ U.S. export and stock data for 1998/99, 1999/00, and 2000/01 come from the ABC; 2001/02 export forecast based on data from the ABC; 2000/01 stock estimate from ABC.
5/ U.S. production forecast for 2001/02 by the National Agricultural Statistics Service (NASS).
F=Forecast.
SOURCES: U.S. Agricultural Attaché Reports, Bureau of Census, ABC, and NASS/USDA.

WALNUTS: PRODUCTION, SUPPLY AND DISTRIBUTION IN SELECTED COUNTRIES

Country/ Marketing Year 1/	Beginning Stocks	Production	Imports	Total Supply	Exports	Domestic Consumption	Ending Stocks
			Metric tons, in-shell basis				
Chile							
1999/2000	341	10,000	170	10,511	7,961	1,650	900
2000/2001	900	11,800	284	12,984	11,445	1,400	139
2001/2002	139	12,400	250	12,789	10,500	1,750	539
2002/2003 F	539	12,500	250	13,289	11,000	1,850	439
China							
1999/2000	0	274,246	2,582	276,828	29,398	247,430	0
2000/2001	0	310,000	500	310,500	32,500	278,000	0
2001/2002	0	310,000	1,000	311,000	33,000	278,000	0
2002/2003 F	N/A	N/A	N/A	N/A	N/A	N/A	N/A
France							
1999/2000	0	29,045	11,800	40,845	20,500	20,345	0
2000/2001	0	25,600	13,300	38,900	23,000	15,900	0
2001/2002	0	26,000	15,500	41,500	25,000	16,500	0
2002/2003 F	0	27,000	16,000	43,000	26,000	17,000	0
India							
1999/2000	10,500	28,000	0	38,500	12,000	16,500	10,000
2000/2001	10,000	31,000	0	41,000	15,500	17,000	8,500
2001/2002	8,500	28,000	0	36,500	14,000	17,000	5,500
2002/2003 F	5,500	32,000	0	37,500	16,000	17,500	4,000
Italy							
1999/2000	1,000	18,000	18,000	37,000	1,800	29,200	6,000
2000/2001	6,000	16,000	12,000	34,000	1,500	29,500	3,000
2001/2002	3,000	8,000	20,000	31,000	1,000	28,000	2,000
2002/2003 F	2,000	13,000	16,000	31,000	1,000	28,000	2,000
Turkey							
1999/2000	7,000	70,000	5,000	82,000	500	72,500	9,000
2000/2001	9,000	69,000	8,000	86,000	500	75,500	10,000
2001/2002	10,000	68,000	8,000	86,000	500	76,000	9,500
2002/2003 F	9,500	70,000	7,000	86,500	500	77,000	9,000
United States 2/ 3/ 4/ 5/							
1999/2000	63,965	256,734	100	320,799	98,105	155,765	66,929
2000/2001	66,929	216,817	235	283,981	97,035	129,693	57,253
2001/2002	57,253	254,016	150	311,419	100,225	159,879	51,315
2002/2003 F	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total							
1999/2000	82,806	686,025	37,652	806,483	170,264	543,390	92,829
2000/2001	92,829	680,217	34,319	807,365	181,480	546,993	78,892
2001/2002	78,892	706,416	44,900	830,208	184,225	577,129	68,854
2002/2003 F	N/A	N/A	N/A	N/A	N/A	N/A	N/A

1/ Marketing Years: March-February for Chile; August-July for the United States; September-August for Italy and Turkey; October-September for China, France, and India.

HAZELNUTS: PRODUCTION, SUPPLY AND DISTRIBUTION

Country/ Marketing Year 1/	Beginning Stocks	Production	Imports	Total Supply	Exports	Domestic Consumption	Ending Stocks
			Metric tons, in-shell basis				
Italy							
1999/2000	2,000	110,000	44,000	156,000	35,000	119,000	2,000
2000/2001	2,000	83,000	56,000	141,000	33,000	106,000	2,000
2001/2002	2,000	135,000	40,000	177,000	50,000	123,000	4,000
2002/2003 F	4,000	100,000	50,000	154,000	35,000	117,000	2,000
Spain							
1999/2000	0	25,000	9,700	34,700	14,000	17,200	3,500
2000/2001	3,500	16,000	11,000	30,500	12,000	17,000	1,500
2001/2002	1,500	23,000	9,000	33,500	14,200	18,300	1,000
2002/2003 F	1,000	20,000	10,000	31,000	12,000	18,000	1,000
Turkey							
1999/2000	275,000	610,000	3	885,003	397,613	187,390	300,000
2000/2001	300,000	490,000	0	790,000	406,343	183,657	200,000
2001/2002	200,000	600,000	0	800,000	430,000	200,000	170,000
2002/2003 F	170,000	600,000	0	770,000	425,000	200,000	145,000
United States 2/ 3/ 4/ 5/							
1999/2000	103	34,500	6,260	40,863	13,093	23,667	4,103
2000/2001	4,103	22,680	9,885	36,668	15,999	18,669	2,000
2001/2002	2,000	43,545	5,411	50,956	27,750	22,206	1,000
2002/2003 F	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total							
1999/2000	277,103	779,500	59,963	1,116,566	459,706	347,257	309,603
2000/2001	309,603	611,680	76,885	998,168	467,342	325,326	205,500
2001/2002	205,500	801,545	54,411	1,061,456	521,950	363,506	176,000
2002/2003 F	N/A	N/A	N/A	N/A	N/A	N/A	N/A

1/ Marketing Years: July-June for the United States; September -August for Spain, Italy, and Turkey.

2/ U.S. export and import data are from the Bureau of the Census with forecasts by the Foreign Agricultural Service (FAS)/USDA.

3/ The U.S. domestic shelling ratios for exports and imports for 1998/99 and 1999/00 are .405 and .391 respectively and originate from the National Agricultural Statistics Service (NASS)/USDA. For 2000/01 and 2001/02, FAS used shelling ratios of .386 and .394 respectively, averages based on the preceding three years.

4/ U.S. stock data comes from the Hazelnut Marketing Board (HMB)

5/ The 2001/02 production forecast comes from NASS.

F= Forecast.

SOURCES: U.S. Agricultural Attaché Reports, Bureau of the Census, HMB, and NASS/USDA.

KIWIFRUIT SITUATION FOR SELECTED COUNTRIES

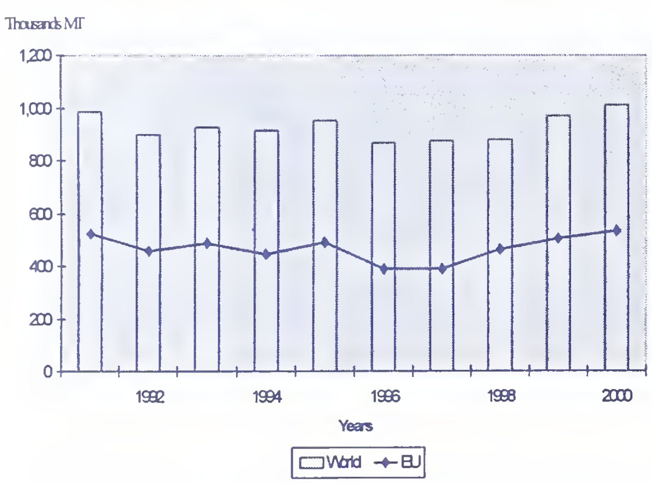
World kiwifruit production for 2000/01 increased by 4.5 percent to over 1.0 million tons; global exports increased by 1 percent. Exports from Italy, which account for about 40 percent of Italy's production, are expected to decline by 12 percent. Exports from New Zealand, the world's second largest producer and exporter, are forecast to increase by 4 percent to total 220,633 tons. United States kiwifruit production in 2001/02 is down significantly due to poor weather; however, exports are forecast to only decline slightly. Global kiwifruit prices are expected to rebound in 2001/02 due to lower supplies in the market.

GLOBAL PRODUCTION

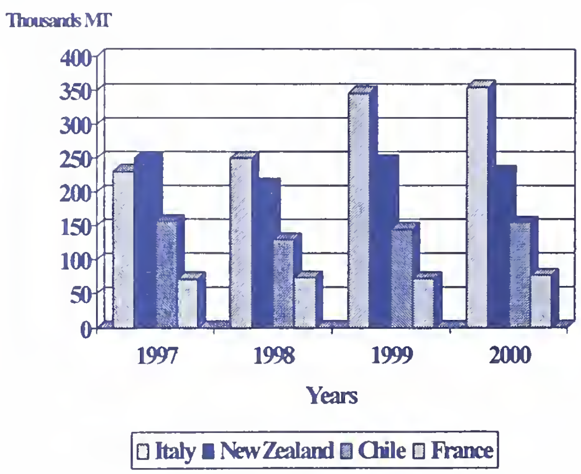
World production of kiwifruit reached 1.0 million metric tons in 2000/01, up 4.5 percent from the previous year. Approximately half of the kiwifruit produced this year originated in the Europe Union (EU).

The top four producers in 2000 were Italy (355,000 tons), New Zealand (229,068 tons), Chile (155,000 tons) and France (76,900). Other key producers include Greece, Spain and the United States.

EU Contribution to World Production



Top Four Producers of Kiwi



Italy

The Italian marketing season begins October 15. In 2000, production was up by 3 percent from the previous year. Production for 2001 is forecast to decrease by 12.5 percent, due to poor weather conditions. However, with the area planted continuing to expand, production is expected to rebound in subsequent years.

Spain

Spanish production of kiwifruit has also been hindered by poor weather conditions, with a forecasted decline of 25 percent in 2001. According to official sources, Spain is expected to increase its area planted by about 20 hectares for 2002. However, high land costs and limited area in the northern producing regions, may hamper expansion efforts.

Greece

The Greek kiwifruit crop in 2001was hit extremely hard by bad weather, decreasing production by 39 percent. Despite the low yield, fruit quality was high. In 2001, grower prices in the major producing district of Pieria as well as in the Preveza – Arta area were higher than 2000 due to smaller crop and the larger size of the fruit.

New Zealand

The total kiwifruit production for marketing year (March –February) 2001/02 is forecast at 242,640 tons, 2.3 percent larger than the 2000/2001 crop. This is due to increased volumes of ZESPRI gold coming on stream from previous plantings. Volumes of the ZESPRI gold are expected to be 30-40 percent greater than in 2001. Other varieties are expected to remain stable.

Chile

In 2001, Chilean production of kiwifruit is expected to increase by 5 percent due to excellent weather and an ample water supply for irrigation. A slightly smaller crop is expected in 2002 because of cold weather during the flowering period last spring. In the coming years, only slight increases in production are expected, as there are no new plantings. Chile's kiwifruit production is expected to level off in one or two years with a total production of close to 160,000 metric tons.

Growth in world kiwifruit production, coupled with improved storage facilities, have allowed kiwi sales in the northern and southern hemispheres to overlap, resulting in the continued deterioration of export prices and a fall in economic returns for most kiwi producers in Chile.

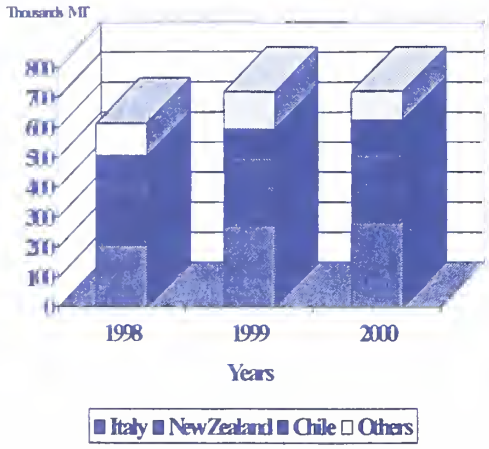
GLOBAL TRADE

Total world exports reached 717,500 in 2000. This is only a slight increase from 1999, but a substantial jump (17 percent) from 1998. Approximately 87 percent of the world's exports in 2000 originated in Italy, New Zealand and Chile.

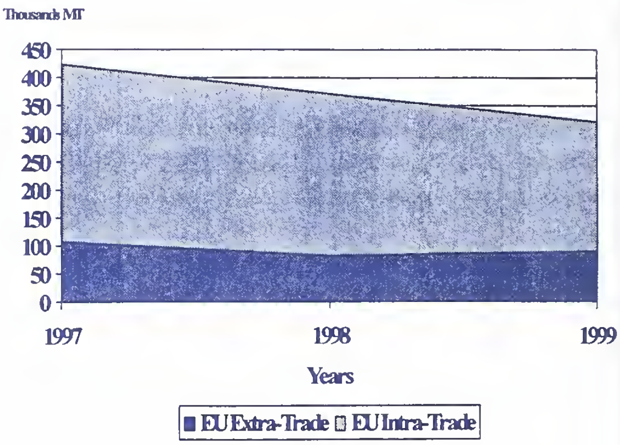
Most Italian kiwifruit exports in 2000 were delivered to EU countries. Germany remains the major export market, importing 27 percent of total Italian exports. Other key markets include France, Spain, the Netherlands and the UK. The top markets for New Zealand kiwifruit in 2000 were Japan, Spain, Australia, the UK and the United States (7 percent). Key markets for Chilean kiwifruit are the United States (25 percent in 2000), Argentina, the Netherlands and Italy.

The EU has contributed almost half of the world exports over the past several years. However, over 70 percent of the exports are shipped to member countries within the EU.

Top Kiwi Exporters

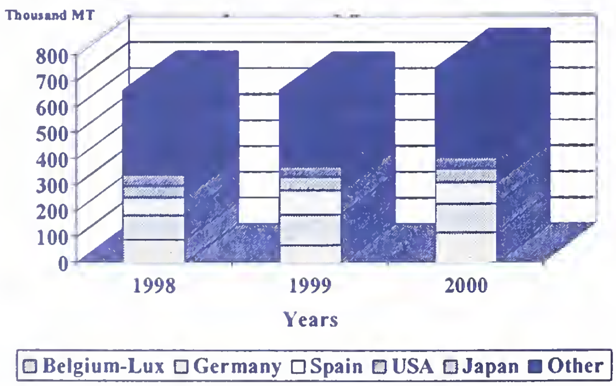


EU Exports

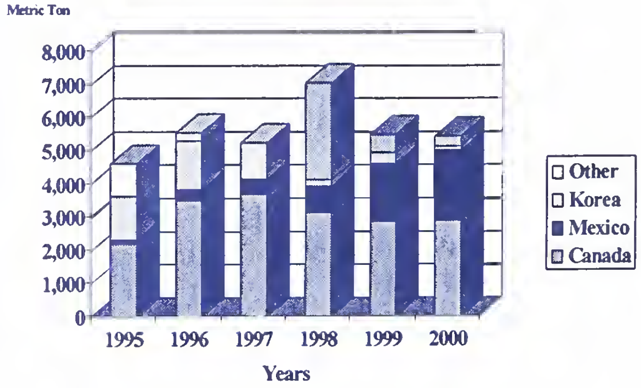


Total world imports were 751,178 tons in 2000, up 13 percent from the previous year. The top five importers in 2000 were Belgium-Luxembourg, Germany, Spain, United States, and Japan. The EU countries are primarily supplied by the top EU exporters (Italy, France and Greece). Chile is the key provider to the Japanese market. The Unites Sates imports primarily from Chile and New Zealand.

World Imports of Kiwi



US Exports by Destination



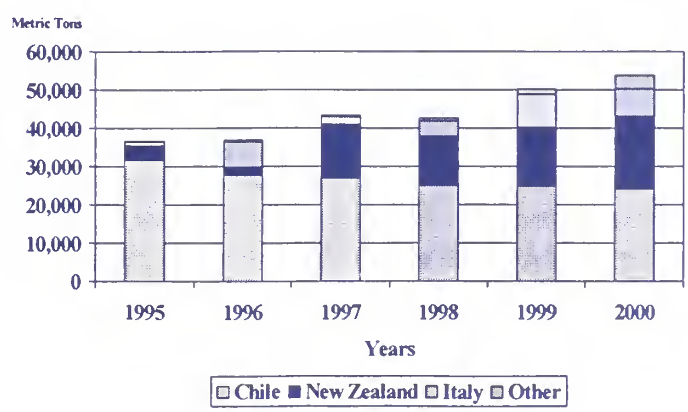
United States

Total U.S. exports remained relatively unchanged in MY2000 (Nov. 2000 – Oct. 2001). The key markets for US exports in 2000 were Canada and Mexico, comprising 52 and 39 percent of U.S. exports, respectively. Kiwifruit exports to Mexico almost tripled since 1998. However, significant market share has been lost in Asian markets (i.e., Japan, Hong Kong, Korea and Taiwan) over the past five years.

The United States has 17 percent of the market share in the Canadian market, lagging behind New Zealand (38 percent) and Italy (23 percent). The United States is also third in the Mexican market behind Chile (45 percent) and New Zealand (32 percent), holding 21 percent of the market.

Total U.S. imports were up 7 percent in 2000, compared to the previous year. Chile and New Zealand supplied 80 percent of U.S. imports of kiwifruit in 2000. The other 20 percent originated, primarily, in Italy and Greece.

US Imports by Country of Origin



Italy

Italian kiwifruit exports increased significantly in 1999 and 2000 due to large domestic supplies. However, 2001 supplies and exports are expected to decline. Italy's key competition comes mostly from other EU countries, mainly France and Greece.

New Zealand

Total global sales volume of kiwifruit for the 2001/2002 season is forecast at 4 percent above the previous season. Globally, Zespri Green kiwifruit varieties are up 4 percent from the last season with

183,600 tons sold. Zespri Gold kiwifruit volumes were up 16 percent at 16,920 tons.

The large volumes of Zespri Gold fruit made selling conditions difficult for Zespri International in the 2001 season. Zespri Gold was introduced on international markets for the first time in 2000, and ran into problems that affected grower returns for this product. Zespri has reported the Gold fruit as being a more difficult product because it has a shorter selling season than the traditional Green variety. The Gold variety ran into difficulties later in the season, especially in Europe, where Gold sales finished 20 percent lower than 2000 with 11 percent lower prices. Volumes of Gold to Europe were reduced overall because of quality issues, however, prices were 17 percent above the Zespri Green variety.

Zespri (Gold, Organic, and Green) has seen tremendous growth in East Asia this season. This region continues to move ahead of 2000 with volumes up 20 percent in 2001 and prices down by 10 percent. Net revenues for the East Asian region were 8 percent above 2000.

Chile

The Chilean's MY2000 (Jan-Dec 2001) exports are estimated to be higher then the previous year, reflecting the increase in production. Although 2001 estimates drop from the previous year, industry sources have indicated that producers expect a smaller but better quality production. Consequently, a larger percentage of the fruit will be exported.

Chile's kiwifruit exports normally begin during the last week of March and last through September. However, improved technology in storage facilities has allowed the export season to extend through November. End-of-season exports are mainly sold to Latin American countries.

CONSUMPTION AND MARKETING

Consumption for selected countries (Italy, France, Greece, Spain, United States, New Zealand and Chile) reached 437,876 in 2000, up by 2 percent from the previous year. Other major consumers are Japan, Germany and Belgium.

Italy

Low prices stimulated kiwi consumption significantly in MY1999 and MY2000. Prices are forecast to recover during the 2001/2002 marketing year due to low supplies.

Confectionary industry use of kiwifruit continues to grow. Kiwifruit are being used for cakes and ice cream.

Sales of kiwifruit in supermarkets and hypermarkets continue to increase in Italy. However, most fruit in Italy, including kiwifruit, is still sold in street markets and fruit shops, generally in bulk.

Spain

Kiwifruit consumption in 2001 is expected to increase slightly. Consumption of kiwifruit in Spain has been increasing annually because of consumer preference for healthy food. Kiwifruit has a reputation in Spain as being healthy.

Greece

The domestic fresh market absorbs now between 18,000 and 21,000 tons annually. Utilization of kiwifruit for industrial or other purposes (i.e. canned, frozen, juices and jams) continues to be very small, with limited prospects for any increase in the near future.
Stocks: As of late December, a total of about 23,000 tons of kiwifruit were available for export and for the domestic market. Of this total about 1,000 tons are in the hands of cooperatives, while the balance is in the hands of shippers/ exporters/ merchants, all held in cold storage. It is expected that about 11,000 tons of these stocks will be exported and the balance sold in the domestic market

France

The French kiwi board (Bureau Interprofessionnel du Kiwi-BIK), funded by producers, conducts an annual marketing program to promote domestically-grown kiwifruit on the French market. In 2001/2002, the board will launch a massive campaign targeting health professionals, barmen and the media.

New Zealand

The strategy to take the Zespri business from a seasonal marketer of New Zealand kiwifruit to a 12-month producer and marketer of world-sourced products is well under way. A ten-year strategic production and marketing plan is being rolled out in phases with a management structure in place. Zespri Gold plants are currently in the ground in Italy, the United States, Japan and a negligible amount in Spain.

Chile

Chilean producers and exporters continue to target their efforts toward increased consumption in principal export markets with the voluntary quality control program. Both groups are subject to a quality control program similar to the system in effect for most deciduous fruit. In the absence of mandatory quality controls, Chilean fruit exporters have concentrated their efforts on diversifying export markets.

(***For information on production and trade, contact Edwin Lewis at 202-720-5028. For information on marketing contact Scott Bleggi 202-720-7931.***)

Kiwifruit: Production Supply and Distribution

Country	Planted Area	Production	Exports	Imports	Domestic Consumption
	Metric Tons				
Italy					
1999	20,000	346,000	260,000	22,000	108,000
2000	20,100	355,000	285,000	32,000	102,000
2001	20,200	310,000	250,000	35,000	95,000
France					
1999	4,020	72,300	28,337	24,662	68,625
2000	4,032	76,900	29,734	30,497	77,663
2001	4,032	70,000	26,000	32,000	76,000
Greece					
1999	3,570	58,000	27,255	1,690	32,435
2000	3,625	73,600	33,254	779	41,125
2001	3,650	45,000	25,000	2,000	22,000
Spain					
1999	955	13,800	9,200	80,000	84,600
2000	955	16,000	12,400	82,600	86,200
2001	960	12,000	8,500	84,000	87,500
United States					
1999	2,144	30,844	5,636	50,267	75,475
2000	2,144	22,680	5,524	53,697	70,853
2001	2,144	30,000	5,600	54,000	78,400
New Zealand					
1999	10,750	244,800	228,315	150	16,635
2000	10,750	229,068	213,033	150	16,035
2001	10,750	237,240	220,633	150	16,607
Chile					
1999	7,695	145,000	102,499	0	42,501
2000	7,695	155,000	111,000	0	44,000
2001	7,675	150,000	112,000	0	38,000
Total					
1999	49,134	910,744	661,242	178,769	428,271
2000	49,301	928,248	689,945	199,723	437,876
2001	49,411	854,240	647,733	207,150	413,507

SOURCE: U.S. Agricultural Attache Reports, Bureau of the Census and NASS/USDA

World Pear Situation

Pear production in selected countries in 2001/02 is forecast at a record 14.1 million metric tons, only 1 percent up from the 2000/01 output. The slight increase mainly reflects a larger crop in China, the world's largest pear producer. China's pear production is forecast to reach nearly 9 million tons in 2001/02, a record. Smaller pear crops in 2001/02 are expected in some other important producing countries, including the Italy, Argentina, and South Africa. U.S. pear production is estimated to remain at the 2000/01 level. Selected countries' pear exports in 2001/02 are forecast at 1.6 million tons, 2 percent above the previous season's shipments. The 2001/02 U.S. pear export forecast has been revised up 12 percent to 168,000 tons, practically unchanged from the record volume shipped in 2000/01. Ample supplies of good quality fresh-marketed pears, the continue diversion of more processing pears into the fresh market, and growing demand in important markets will likely keep U.S. pear exports strong in 2001/02. U.S. pear exports in 2001/02 are also benefiting from continued U.S. promotion efforts.

Northern Hemisphere Briefs

Northern Hemisphere pear production to increase slightly in 2001/02

Pear production in selected Northern Hemisphere countries in 2001/02 is forecast up 2 percent from 2000/01 to nearly 13.0 million metric tons (tons), a record. Production is forecast to increase in China, the world's major producer. A lower pear crop is anticipated in Italy, the world's second largest producer. China's pear production is forecast to increase 5 percent to a record 8.8 million tons, more than 60 percent of 2001/02 selected countries pear output. Italy's pear production, the largest in the EU, is estimated at a little over 900,000 tons, 3 percent below production in 2000/01. U.S. pear production in 2001/02 is now forecast to remain at the 2000/01 level of around 880,000 tons.

Northern Hemisphere pear exports are forecast to decrease slightly in 2001/02

Northern Hemisphere pear exports in 2001/02 are forecast at about 957,00 tons, down 1 percent from the previous season's shipments. Decreased exports are anticipated from the Netherlands and Italy. On the other hand, pear shipments from China and Spain are forecast to increase 19 percent and 41 percent, respectively, while shipments from the United States will likely remain unchanged at around 168,000 tons.

Pear shipments from China have increased from practically nothing 10 years ago to about 141,000 tons in 2000/0. Fruit quality in China continues to improve, contributing to the expansion of China's exports to Southeast Asian countries and Russia.

U.S. pear shipments in 2001/02 are forecast at 168,000 tons, practically unchanged from the record shipped in 2000/01. U.S. pear exports in 2001/02 will continue to benefit from the industry's market promotion efforts and from funds assigned under the Market Access Program (MAP), which in fiscal year 2002 are estimated at $1.2 million. Exports have become vital for the success of the U.S. pear industry, generating a significant and growing share of the income of pear farmers. Canada and Mexico together account for more than three-quarters of total U.S. pear shipments.

New assessment on U.S. pears to pay for research; rule also establishes definition for organic pears

On February 6, 2002, the AMS published a final rule establishing a new assessment of $0.03 per standard box of the Beurre d'Anjou variety of pears grown in Oregon and Washington. The new assessment will increase the total assessment on this variety of pears to $0.52 per standard box of conventionally produced and handled pears. This assessment excludes organic pears.

While the income derived from the basic assessment will continue to fund regular programs, the new assessment (approximately $372,000) will be used exclusively to fund the collection of data on Ethoxyquin residue on stored d'Anjou pears. Ethoxyquin is an antioxidant that is registered for use on pears in the control of superficial scald, a physiological disease affecting the appearance of certain varieties of stored pears. The supplemental rate will not be applicable to d'Anjou pears that are organically produced, as Ethoxyquin is not used in their handling and storage.

The collection of residue data would satisfy requirements of the Environmental Protection Agency pertaining to U.S. pesticide tolerance and registration. In addition, the data will be used in conjunction with the Codex Alimentarius system that establishes maximum residue limits used as tolerances in many nations receiving shipments of Oregon and Washington d'Anjou pears.

The rule also defined organic pears as pears that have been certified by an organic certification organization currently registered with the Oregon or Washington State Departments of Agriculture, or such certifying organization accredited under the National Organic Program. This definition was established primarily so that the new assessment could be properly administered.

Chile approves imports of apples and pears from Oregon and Idaho

Chile recently agreed to allow imports of apples and pears from Oregon and Idaho. Before this decision, Chile only allowed apples and pears from the state of Washington. Access for the three states is limited to approved production areas with no apple maggot quarantines in place. This new market opportunity is expected to eventually result in combined Oregon and Idaho apple and pear sales of $2 million annually. USDA continues to work with Chile's Ministry of Agriculture for access for apples and pears from California. In marketing year 1999/2000 (July-June), Washington state apple shipments to Chile totaled 129 tons, valued at nearly $50,000. A lower Washington state apple crop, higher prices, and a stronger U.S. dollar vis-à-vis the Chilean peso limited shipments to Chile last season.

The Netherlands; doorway for fruit trade in the EU

The Netherlands is a large importer and exporter of pears and other fruits. Pear imports are usually about 100,000 tons, with countries in the EU supplying about 25 percent and non-EU countries, such as South Africa, Argentina, and Chile, supplying the remaining 75 percent. Most Chilean pears destined for the EU market are traded via The Netherlands.

In the 2000/01 season, Ducth pear imports decreased 14 percent, with imports the from Southern Hemisphere countries decreasing by 6 percent. Imports from Southern Hemisphere countries will likely be hampered by high freight costs. However, favorable currency exchange rates, especially with the Argentine peso, could offset high transportations costs and motivate increased pear imports in The Netherlands.

The Netherlands: Imports of non-EU Pears
(Metric Tons)

	1996	1997	1998	1999	2000*
Chile	31,759	29,739	31,229	33,531	26,117
S-Africa	7,593	10,821	15,198	21,410	24,291
Argentina	11,565	11,983	16,518	25,330	24,850
U.S.A.	***2,951***	***3,130***	***7,800***	***5,270***	***2,285***
Others	1,192	2,522	3,848	3,662	3,063
Total	**55,060**	**58,195**	**74,593**	**89,203**	**80,606**

Source: Eurostat * Estimates

About two-thirds of Dutch pear production is exported. In 2000/01, Dutch pear exports totaled nearly 165,000 tons, down from the record 175,000 tons shipped in 1999/2000. Exports normally fluctuate between 80,000 tons and 100,000 tons. On average, about 80 percent of Dutch pear exports are delivered to other EU member countries. The United Kingdom is the most important export destination, followed by Germany. In the last two seasons, France and Sweden have also purchased larger volumes of Ducth pears. Major non-EU markets include Russia, which accounts for two-thirds of exports to third countries.

Mexico; growing market for U.S. pears

Pear production in Mexico is not very significant. As such, Mexico continues to rely on imports, mainly from the United States. Mexico's pear imports in 2001/02 are estimated at 110,000 tons, unchanged from last season, as demand is expected to remain strong. However, if the U.S/Peso exchange rate in 2002 remains stable, pears will likely continue as affordable as in 2001, a situation that could spur import demand. The United States is expected to continue as Mexico's main supplier of fresh pears. Market promotion efforts by the U.S. pear industry are continuing in the supermarkets and street markets of several Mexican cities. This season, U.S. pear promotional efforts will include use of TV and magazine advertising.

Mexican pear consumption in 2001/02 is forecast to remain at around 142,000 tons, reflecting affordable prices and steady demand. The consumption estimate for MY 2000/01 has been revised downward, due to slightly less demand than expected, but remains 16 percent above consumption in 1999/2000. The number one pear preference among Mexicans is the Anjou variety, followed by other varieties like Bartlett, Bosc, and Red Anjou, which have increased in sales over the past few seasons. Most U.S. pears come from Washington, Oregon and California. The import duty on pears under NAFTA is zero.

Chile accounts for about 5 percent of Mexican pear imports. Mexico's pear imports from Chile in 2000/01 were up more than 40 percent from the previous year. High transportation costs make Chilean pears in the Mexican market more expensive than those from the United States. Chilean producers do not conduct marketing or promotional campaigns in Mexico. Chilean pears do not yet pose a serious threat to U.S. pears in the Mexican market and, as such, the presence of U.S. pears is expected to continue growing. Argentina's pears are beginning to increase their presence in Mexico. However, Argentina still only accounts for less than 1 percent of total Mexican pear imports. The duty on pear imports from Argentina is also zero.

U.S./Colombia joint research center established

The USDA's Animal and Plant Health Inspection Service (APHIS) has collaborated with their Colombian equivalent, the Instituto Colombiano Agropecuario (ICA), to expand existing ICA sections and combine them into a new Colombian Center for Phytosanitary Excellence. The Center would be located in Bogotá in the same building as the current APHIS/ICA cooperative office, which focuses on Foot and Mouth Disease eradication. The U.S. Agency for International Development (USAID) has agreed to provide funding over three years for the initial cost of furnishings and equipment as well as the principal operating costs for the Center for three years.

The Center will have primarily two main functions: 1) to develop and maintain a database on the species and locations of plant pests in Colombia, and 2) to construct draft pest risk analysis (PRA) for various exotic fruits which Colombia would like to export to the United States. These draft PRAs would then be used to define possible pest mitigation methods (treatments, free areas, systems approach, etc.) for the defined pests.

Southern Hemisphere Briefs

Southern Hemisphere pear crop expected to decrease in 2001/02

Pear production in selected countries of the Southern Hemisphere in 2001/02 is forecast at 1.2 million tons, down 7 percent from last season's output. Production declines are expected in the principal southern producing countries of Argentina, South Africa, and Chile.

Argentina's pear production, the largest in the Southern Hemisphere, in 2001/02 is forecast at 520,000 tons, 9 percent below the 2000/01crop. The majority of Argentina's commercial pear production is located in Rio Negro (about 75 percent). Other important pear-producing regions in

Argentina include Neuquen and Mendoza, accounting each for about 12 percent of production. More than half of the Argentine pear crop is exported fresh and the remainder is consumed fresh in the domestic market, processed into juice, or canned.

Chile's 2001/02 pear crop is forecast to decrease 7 percent to 232,000 tons. There are more than 36 pear varieties grown in Chile. The Packham's Triumph variety, grown mainly for the fresh market, accounts for about 45 percent of the Chilean pear crop. The Beurre Bosc variety makes up about 25 percent of Chile's pear production and exports.

But Southern Hemisphere pear exports to increase in 2001/02

Although production will likely be lower, pear exports from selected countries in the Southern Hemisphere in 2001/02 are forecast to increase to 606,500 tons, 7 percent above last season's shipments. The increase mainly reflects expected larger shipments from Argentina and South Africa.

Argentina's pear shipments in 2001/02 are forecast at a record 350,000 tons, 12 percent more than shipments in 2000/01, based on continued favorable Peso exchanged rate vis-à-vis other countries currencies. Argentina's fresh pear marketing season is year round with the bulk exported February through April. Major export markets are Brazil, countries in the EU, mostly Italy, and the United States.

Pear exports from Chile, the second largest exporter in the Southern Hemisphere, are forecast to decrease in 2001/02 to 124,000 tons. The EU is Chile's largest export market, followed by the United States. During the last few years, sales to the Far East and Latin American markets have also shown growth.

Pear exports from South Africa, the third largest exporter in the Southern Hemisphere, are forecast to increase 4 percent in 2000/01 to 105,000 tons, the result of more exportable supplies at lower prices. Countries in the EU remain South Africa's major export markets. South Africa's pear exports to the Middle East are also strong, with a 90-percent market share in the region.

Change in Brazil's phytosanitary requirements for imported pears jeopardized U.S. seasonal sales

Brazil's plant quarantine agency (DDIV) eliminated sodium o-phenyl phenol (SOPP) as a treatment for fire blight on pear imports because the chemical is not registered in Brazil. Although the SOPP treatment was originally part of a 1996 plant health technical agreement, the Government of Brazil apparently never established a tolerance level for the chemical; therefore, the chemical was never registered. Brazilian federal laws prohibit the use of an unregistered chemical for phytosanitary treatment purposes. Deep chlorine remains as an option treatment for fire blight on pear imports.

This change on import regulation adversely impacted U.S. pears seasonal sales to Brazil, since more than 90 percent of U.S. pear shipments to Brazil each year take place during the October to December period. U.S. pears shipments to Brazil during the period of September 2001 to January 2002 were down 70 percent from the same period last season. Although chlorine treatment remained as an option, it was not a viable option for most U.S. pear exporters since much of the fruit destined for Brazil was treated with SOPP before the announcement was made. Brazil is the third largest market for U.S. pear sales, with marketing year 2000/01 shipments totaling more than 7,000 tons, with an associated value of $3.1 million.

South Africa's deciduous fruit industry established a Joint Marketing Forum with producers, exporters, and government

In 2001, South Africa's deciduous fruit industry established a Joint Marketing Forum with producers, exporters, and government to improve coordination of exports. However, exports are expected to show only a slight increase, as mildew infections in some pear production areas, are expected to reduce the volume of production and export supplies. Exports could increase if the Rand exchange rate continues to decline. In addition, exports will be assisted by a venture between producers, exporters and government to form a joint Marketing Forum for better export coordination.

South Africa's deciduous fruit industry is independent from government intervention. The government's involvement is strictly focused towards international promotion of South African products through trade fairs, trade missions, and primary market research. The industry's new mission includes training of previously disadvantaged producers for the export markets, and consolidating a central data system.

The number of deciduous fruit farmers in South Africa is declining as many fruit producers liquidated their businesses following financial institutions' devaluation of agricultural lands in some areas, and the consolidation of small farms to form larger production units.

(For information on production and trade, contact Samuel Rosa at 202-720-6086. For information on marketing, contact Ted Goldamer at 202-720-8498. The FAS Attache Report search engine contains reports on deciduous fruit for more than 20 countries. Also, visit our apple web page at: http://www.fas.usda.gov/htp/horticulture/apples/html)

TABLE 1
PEARS: PRODUCTION, SUPPLY, AND DISTRIBUTION IN SELECTED COUNTRIES
(METRIC TONS)

Country Mktg. Year 1/	Production	Imports	Supply Utilization	Exports	Domestic Consumption	Processed	Withdrawals
NORTHERN HEMISPHERE COUNTRIES							
EUROPEAN UNION (EU)							
Belgium-Luxembourg							
1998/99	152,660	74,321	226,981	165,915	45,847	14,250	969
1999/00	165,220	66,425	231,645	171,205	45,610	14,000	830
2000/01	183,059	63,957	247,016	195,194	45,471	2,500	3,851
2001/02 F	89,676	90,000	179,676	132,000	45,636	2,000	40
France							
1998/99	246,100	88,000	334,100	45,000	229,100	45,000	15,000
1999/00	267,000	101,000	368,000	39,000	279,000	45,000	5,000
2000/01	258,000	105,000	363,000	35,000	278,000	45,000	5,000
2001/02 F	255,000	100,000	355,000	40,000	265,000	45,000	5,000
Germany							
1998/99	55,000	190,946	245,946	8,501	235,746	1,679	20
1999/00	54,042	167,770	221,812	8,754	211,892	1,163	3
2000/01	65,162	150,754	215,916	10,654	203,036	2,184	42
2001/02 F	45,551	170,000	215,551	8,751	206,000	800	0
Greece							
1998/99	66,000	17,000	83,000	1,400	72,900	8,400	300
1999/00	66,000	17,000	83,000	1,400	72,950	8,400	250
2000/01	60,000	14,000	74,000	1,000	64,750	8,000	250
2001/02 F	55,000	15,000	70,000	1,000	60,800	8,000	200
Italy							
1998/99	1,115,000	60,000	1,175,000	200,000	865,000	110,000	0
1999/00	784,000	115,000	899,000	123,000	688,000	80,000	8,000
2000/01	940,000	94,000	1,034,000	138,000	776,000	110,000	10,000
2001/02 F	908,000	95,000	1,003,000	130,000	783,000	90,000	0
Netherlands							
1998/99	140,000	95,250	235,250	145,054	84,996	5,000	200
1999/00	135,000	126,428	261,428	174,855	76,941	9,632	0
2000/01	195,000	108,375	303,375	163,290	126,101	13,984	0
2001/02 F	70,000	180,000	250,000	155,000	85,000	10,000	0
Spain							
1998/99	557,000	40,900	597,900	92,300	455,600	35,000	15,000
1999/00	682,500	24,500	707,000	138,000	499,000	40,000	30,000
2000/01	595,000	44,000	639,000	93,200	480,000	43,800	22,000
2001/02 F	678,000	20,000	698,000	135,000	495,000	45,000	23,000
Sweden							
1998/99	16,300	33,386	49,686	228	49,458	0	15,000
1999/00	12,771	31,684	44,455	129	44,326	0	30,000
2000/01	13,375	27,449	40,824	256	40,568	0	22,000
2001/02 F	11,825	31,000	42,825	100	42,725	0	23,000
United Kingdom							
1998/99	28,727	130,656	159,383	3,000	155,833	400	150
1999/00	18,052	133,000	151,052	2,500	148,052	400	100
2000/01	34,031	119,624	153,655	3,280	149,875	400	100
2001/02 F	28,500	125,000	153,500	3,000	150,000	400	100

continued

TABLE 1
PEARS: PRODUCTION, SUPPLY, AND DISTRIBUTION IN SELECTED COUNTRIES
(METRIC TONS)

Country Mktg. Year 1/	Production	Imports	Supply Utilization	Exports	Domestic Consumption	Processed	Withdrawals
SUBTOTAL EU							
1998/99	2,376,787	730,459	3,107,246	661,398	2,194,480	219,729	46,639
1999/00	2,184,585	782,807	2,967,392	658,843	2,065,771	198,595	74,183
2000/01	2,343,627	727,159	3,070,786	639,874	2,163,801	225,868	63,243
2001/02 F	2,141,552	826,000	2,967,552	604,851	2,133,161	201,200	51,340
OTHER NORTHERN HEMISPHERE COUNTRIES							
Canada							
1998/99	16,760	72,000	88,760	900	82,960	4,900	0
1999/00	17,419	70,670	88,089	779	82,610	4,700	0
2000/01	15,072	72,009	87,081	465	82,116	4,500	0
2001/02 F	17,000	75,000	92,000	500	86,900	4,600	0
China; Peoples Republic of							
1998/99	7,275,464	800	7,276,264	108,900	6,803,564	363,800	0
1999/00	7,742,331	9,750	7,752,081	109,004	7,186,277	456,800	0
2000/01	8,400,000	650	8,400,650	140,820	7,839,830	420,000	0
2001/02 F	8,820,000	620	8,820,620	167,257	8,212,363	441,000	0
Japan							
1998/99	409,700	481	410,181	5,396	404,285	500	0
1999/00	415,700	309	416,009	4,169	411,340	500	0
2000/01	423,800	576	424,376	3,191	420,685	500	0
2001/02 F	411,800	600	412,400	3,000	408,900	500	0
Mexico							
1998/99	25,690	54,800	80,490	0	78,490	2,000	0
1999/00	33,352	74,158	107,510	0	105,510	2,000	0
2000/01	31,280	95,602	126,882	0	124,882	2,000	0
2001/02 F	33,500	110,000	143,500	0	141,500	2,000	0
Russian Federation							
1998/99	181,300	70,000	251,300	50	195,000	55,000	1,250
1999/00	136,600	77,430	214,030	80	162,000	51,000	950
2000/01	190,400	101,320	291,720	155	226,000	60,400	5,165
2001/02 F	200,000	105,000	305,000	200	240,300	60,000	4,500
Turkey							
1998/99	360,000	84	360,084	8,267	333,817	18,000	0
1999/00	360,000	151	360,151	12,204	329,947	18,000	0
2000/01	380,000	118	380,118	11,707	349,411	19,000	0
2001/02 F	370,000	50	370,050	13,000	338,550	18,500	0
United States							
1998/99	880,097	86,424	966,521	138,282	416,377	411,862	0
1999/00	921,202	90,263	1,011,465	152,954	425,547	432,964	0
2000/01	877,385	85,094	962,479	167,903	429,851	364,725	0
2001/02 F	880,705	85,000	965,705	168,000	427,705	370,000	0
SUBTOTAL OTHER NORTHERN HEMISPHERE COUNTRIES							
1998/99	9,149,011	284,589	9,433,600	261,795	8,314,493	856,062	1,250
1999/00	9,626,604	322,731	9,949,335	279,190	8,703,231	965,964	950
2000/01	10,317,937	355,369	10,673,306	324,241	9,472,775	871,125	5,165
2001/02 F	10,733,005	376,270	11,109,275	351,957	9,856,218	896,600	4,500

continued

TABLE 1
PEARS: PRODUCTION, SUPPLY, AND DISTRIBUTION IN SELECTED COUNTRIES
(METRIC TONS)

Country Mktg. Year 1/	Production	Imports	Supply Utilization	Exports	Domestic Consumption	Processed	Withdrawals
TOTAL NORTHERN HEMISPHERE COUNTRIES							
1998/99	11,525,798	1,015,048	12,540,846	923,193	10,508,973	1,075,791	47,889
1999/00	11,811,189	1,105,538	12,916,727	938,033	10,769,002	1,164,559	75,133
2000/01	12,661,564	1,082,528	13,744,092	964,115	11,636,576	1,096,993	68,408
2001/02 F	12,874,557	1,202,270	14,076,827	956,808	11,989,379	1,097,800	55,840
SOUTHERN HEMISPHERE COUNTRIES							
Argentina							
1998/99	582,960	312	583,272	286,397	128,956	167,919	0
1999/00	478,078	786	478,864	279,462	119,867	79,535	0
2000/01	570,000	459	570,459	312,861	137,400	120,198	0
2001/02 F	520,000	400	520,400	350,000	100,000	70,400	0
Australia							
1998/99	162,091	1,240	163,331	14,304	75,000	74,027	0
1999/00	159,500	1,116	160,616	20,562	73,000	67,054	0
2000/01	175,000	500	175,500	17,272	74,728	83,500	0
2001/02 F	165,000	1,000	166,000	22,000	84,000	60,000	0
Chile							
1998/99	258,500	0	258,500	156,400	59,500	42,600	0
1999/00	237,000	0	237,000	124,700	65,300	47,000	0
2000/01	249,000	0	249,000	130,000	68,000	51,000	0
2001/02 F	232,000	0	232,000	124,000	68,000	40,000	0
New Zealand							
1998/99	21,850	300	22,150	6,700	12,500	2,950	0
1999/00	32,555	1,400	33,955	6,500	20,905	6,550	0
2000/01	23,256	1,400	24,656	4,500	15,606	4,550	0
2001/02 F	23,800	1,400	25,200	5,500	15,150	4,550	0
South Africa; Republic of							
1998/99	280,948	0	280,948	113,872	58,810	108,266	0
1999/00	277,336	0	277,336	98,330	53,510	121,816	3,680
2000/01	246,320	0	246,320	101,230	55,860	88,030	1,200
2001/02 F	240,000	0	240,000	105,000	48,000	85,000	2,000
TOTAL SOUTHERN HEMISPHERE COUNTRIES							
1998/99	1,306,349	1,852	1,308,201	577,673	334,766	395,762	0
1999/00	1,184,469	3,302	1,187,771	529,554	332,582	321,955	3,680
2000/01	1,263,576	2,359	1,265,935	565,863	351,594	347,278	1,200
2001/02 F	1,180,800	2,800	1,183,600	606,500	315,150	259,950	2,000
WORLD GRAND TOTAL							
1998/99	12,832,147	1,016,900	13,849,047	1,500,866	10,843,739	1,471,553	47,889
1999/00	12,995,658	1,108,840	14,104,498	1,467,587	11,101,584	1,486,514	78,813
2000/01	13,925,140	1,084,887	15,010,027	1,529,978	11,988,170	1,444,271	69,608
2001/02 F	14,055,357	1,205,070	15,260,427	1,563,308	12,304,529	1,357,750	57,840

1/ Data for Northern Hemisphere countries are for a July/June marketing year, except for Mexico and France, which are August/July. In the Southern Hemisphere the marketing year begins on January 1 of the second year indicated, except for Chile where the year starts on February 1 of the second year indicated, and New Zealand where the year starts on October 1 of the first year indicated.

2/ U.S. import/export forecasts are based on trends during recent years and trade contacts.

F=Forecast

TABLE 2: U.S. PEAR EXPORTS
MARKETING YEARS 1996/97-2000/01
(JULY-JUNE)
METRIC TONS

Country of Destination	2000/01 Rank	1996/97	1997/98	1998/99	1999/00	2000/01	Percentage Change 1999/00-2000/01
Mexico	*1*	31,547	48,220	52,321	73,191	85,289	17%
Canada	*2*	38,959	50,150	41,668	48,066	45,356	-6%
Brazil	*3*	17,969	17,506	10,381	4,058	7,120	75%
Venezuela	*4*	1,294	3,439	2,824	5,368	6,004	12%
Taiwan	*5*	5,066	4,323	4,039	3,595	3,756	5%
Sweden	*6*	4,306	7,796	4,283	3,040	3,722	23%
Netherlands	*7*	1,073	9,340	6,466	2,132	2,724	28%
Saudi Arabia	*8*	2,487	3,494	2,980	2,504	2,259	-10%
United Arab Emirates	*9*	1,468	1,868	887	1,518	2,196	45%
Colombia	*10*	2,174	1,506	1,321	2,079	1,109	-47%
Panama	*11*	775	610	536	1,392	922	-34%
Hong Kong	*12*	1,573	2,191	1,559	781	889	14%
Costa Rica	*13*	728	713	549	416	858	106%
Israel	*14*	1,032	2,529	2,343	328	807	146%
Singapore	*15*	500	1,186	751	556	695	25%
Guatemala	*16*	390	514	227	302	587	95%
Turkey	*17*	0	0	0	0	548	N/A
United Kingdom	*18*	328	1,271	1,095	423	422	0%
Yemen	*19*	0	0	0	0	353	N/A
Dominican Republic	*20*	262	77	257	303	350	16%
Germany	*21*	785	476	298	391	326	-17%
Bahrain	*22*	60	192	112	82	214	160%
El Salvador	*23*	7	33	52	88	194	120%
Russia	*24*	3,109	4,393	440	165	174	5%
Ireland	*25*	503	185	160	62	172	176%
Indonesia	*26*	1,224	292	51	181	128	-30%
Kuwait	*27*	167	151	198	170	124	-27%
Japan	*28*	30	200	292	91	92	1%
Egypt	*29*	0	23	263	38	84	120%
Trinidad and Tobago	*30*	45	60	84	120		43%
Denmark	*31*	0	308	102	92	49	-47%
Malaysia	*32*	273	141	38	0	37	N/A
New Zealand	*33*	0	50	0	26	35	0.34
Honduras	*34*	201	93	120	166	29	-82%
Belize	*35*	0	0	0	0	24	N/A
Other		1,199	1,541	1,585	1,230	255	-79%
Grand Total		**119,534**	**164,871**	**138,282**	**152,954**	**167,903**	**10%**

Source: Bureau of the Census

TABLE 3: U.S. PEAR IMPORTS
MARKETING YEARS 1996/97-2000/01
(JULY-JUNE)
METRIC TONS

Country of Origin	2000/01 Rank	1996/97	1997/98	1998/99	1999/00	2000/01	Percentage Change 1999/00-2000/01
Argentina	*1*	31,230	33,591	38,129	48,619	42,244	-13%
Chile	*2*	37,053	23,321	33,552	25,031	25,774	3%
China	*3*	0	20	1,147	2,789	6,506	133%
South Korea	*4*	726	920	1,586	2,996	5,827	94%
New Zealand	*5*	3,862	3,881	4,462	5,282	2,417	-54%
South Africa	*6*	3,685	5,020	6,271	4,456	1,499	-66%
Canada	*7*	573	771	559	546	400	-27%
Japan	*8*	300	303	491	539	352	-35%
Spain	*9*	0	0	0	0	75	N/A
Australia	*10*	478	0	0	0	0	N/A
Other		86	37	227	5	0	N/A
Grand Total		**77,993**	**67,864**	**86,424**	**90,263**	**85,094**	**-6%**

Source: Bureau of the Census

World Apple Situation

Combined apple production in selected countries in marketing year 2001/02 is forecast at 45 million metric tons (tons), down 7 percent from the 2000/01 record crop of 48.2 million tons. Production in the European Union (EU) is expected to decrease sharply in 2001/02, due to reduced production in France, Italy, and Germany, the three top producers in the EU. Lower apple production is also anticipated in key producing countries of the Northern Hemisphere, such as China, Russia, and the United States. Output in Argentina and Chile, the two top apple producers in the Southern Hemisphere, will likely be reduced by 25 percent and 10 percent, respectively, in 2001/02. Apple exports from selected countries in 2001/02 are forecast at 4.6 million tons, down from 4.8 million tons shipped in 2001/02. Reduced exportable supplies from key exporting countries such as the United States, Chile, and countries in the EU will likely slow down 2001/02 apple shipments. The 2001/02 U.S. apple export forecast has been revised up to 620,000 tons, 17 percent more than the previous forecast, but 17 percent below last season's record shipments. A lower apple crop in Washington state, related higher prices, and recent challenges facing U.S. apples to Mexico will likely limit overall U.S. apple exports this season.

Northern Hemisphere Briefs

Apple production in the Northern Hemisphere to decrease for the first time in five years

Total apple production in selected Northern Hemisphere countries in 2001/02 is forecast at 40.6 million tons, down 7 percent from the record 2000/01 output and the first decline since the 1997/98 season, when selected Northern Hemisphere countries produced a combined 38.4 million tons. Continued overall decline in planted acreage and unfavorable weather conditions in the eastern part of China will likely slow down Chinese apple production for the second consecutive season. The lower EU apple crop mainly reflects decreased production in the top three EU producing countries (France, Italy, and Germany). Apple production in the United States in 2001/02 is forecast at 4.3 million tons, the lowest level since 1988/89. Most of that drop is coming from Washington, the main producing state. China leads world in apple production followed by the United States.

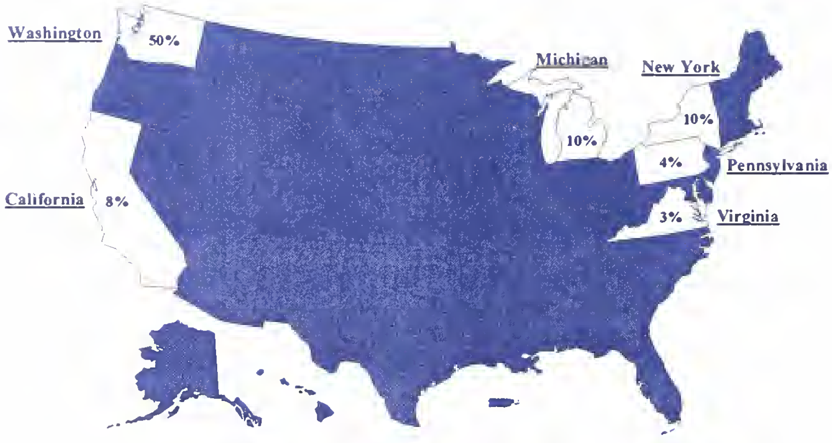
Northern Hemisphere apple exports are forecast to decrease in 2001/02

Apple exports from selected countries in the Northern Hemisphere in 2001/02 are forecast at 3.3 million tons, 7 percent below last season's shipments. Lower exports are forecast from the EU and the United States. On the other hand, apple shipments in 2001/02 from China and Poland are forecast to increase 5 percent and 25 percent, respectively.

China's apple exports in 2001/02 are forecast at close to 282,000 tons, as it continues to expand its export markets, especially to Asian countries and Russia. The Fuji variety accounts for about 80 percent of China's apple exports

The 2001/02 U.S. apple export forecast was revised up to 620,000 tons, 17 percent above the previous forecast, due to better than anticipated shipments to date. However, the revised forecast is 17 percent less than shipments last season. A smaller apple crop in Washington state, related higher prices, and more challenges facing U.S. apples to Mexico will likely slow down U.S. apple exports in 2001/02. On average, about 40 percent of U.S. annual apple exports are destined to Latin, about 35 percent go to Asia, and 5 percent each are destined to Europe and the Middle East.

Six States Account for More than 85 Percent of the U.S. Apple Crop



Source: USDA National Agricultural Statistics Service

Mexico reauthorizes ports of entry for U.S. apples

On December 14, 2001, Mexico's Secretariat of Treasury announced the reestablishment of the ports of Mexicali, Nuevo Laredo, and Veracruz as official ports of entry for apples from the United States. Entry of U.S. apples through these ports had been closed from June 29 to December 14, 2001, as part of Mexico's efforts to control alleged unfair practices involving apples from the United States. Apparently, Mexico raised concerns on apple shipments being rejected at the border for missing required data on the cartons and problems with the accompanying phytosanitary certificates.

Mexico also added the port of Tuxpan as an official border crossing. This action increases the total number of ports authorized to import U.S. apples from five to nine, including Ciudad Juarez, Nogales, Ciudad Reynosa, Manzanillo, and Tijuana, which were authorized in June 2001. Mexico is the top destination for U.S. apples, with sales in marketing year 2000/2001 (July-June) totaling nearly 225,000 tons, valued at $125 million.

Mexico still not in agreement on reference price for U.S. apples

On January 9, 2002, the Mexican courts ruled for a preliminary suspension of the 2001/02 minimum reference price of $11.05 per 42-pound box for U.S. Red and Golden Delicious apples. The preliminary suspension responded to complaints filed by the Mexican apple industry, alleging that U.S. exporters committed 6 violations of the 1998 apple dumping suspension agreement. The Mexican courts have not yet issued a decision regarding which reference price would apply to U.S. apple imports in the 2001/02 season. However, because the current apple reference price is suspended, imports are entering under the 2000/01 reference price of $11.48 per box.

Mexico implemented a 101 percent anti-dumping duty on U.S. Red and Golden Delicious apples in September 1997, which was lifted in March 1998, following the suspension agreement. Under the terms of the agreement, all U.S. shipments of Red and Golden Delicious apples to Mexico must comply with a minimum reference FOB price per standard 42-pound box. The minimum price is based upon a three-year average of FOB prices of the two varieties, as reported by the Washington Growers Clearing House Association. The agreement runs through 2003 and calls for the minimum prices to be adjusted every November 1 to reflect the average of the preceding three crop years.

U.S. apples under Food for Progress arrive in the Russian Far East

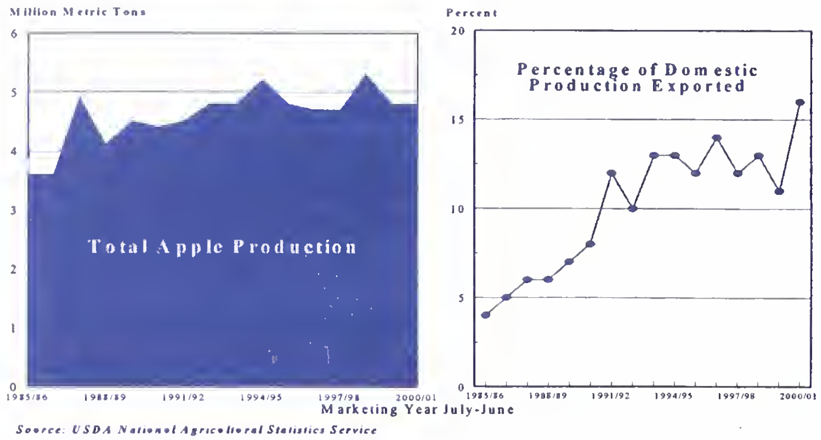
On January 29, 2002, a press conference was held in Vladivostok, Russia to inaugurate the distribution of 2,000 tons of fresh apples to needy children in Russia. The ceremony marked the first time that U.S. apples have been successfully programmed under the "Food for Progress" food aid program. The Global Jewish Assistance and Relief Network (GJARN) plan to distribute Gala, Red Delicious, and Golden Delicious apples to 200,000 needy children in schools, hospitals, and orphanages.

The Food for Progress program has traditionally included non-perishable food staples such as grains and dried milk products. Driven by efforts to aid more transitional economies, USDA this past year expanded the program to include higher-value commodities, such as fresh apples. As such, the distribution of fresh apples to Russian orphans marks the first time that fresh fruit has been included in a U.S. government food aid program.

Philippines lifts ban on Chinese fruits and nuts

In January 2002, the Philippine Department of Agriculture lifted the ban on imports of apples and other fruits from China. The temporary ban was removed after China successfully addressed Philippine concerns regarding the introduction of *corposant*, the pest found in a shipment of Chinese apples in October 2001. *Corposant* is an actionable pest that is not present in the Philippines. A newly agreed-upon work plan requires that fruit from China be treated at origin. The Philippines is a major market for Chinese apples. In calendar year 2000, China's apple shipments to the Philippines were valued at $16 million, accounting for nearly 20 percent of total Chinese apple shipments. U.S. apple shipments to the Philippines totaled $5 million in the same year.

Exports Have Become a Critical Outlet for Increased U.S. Apple Production



U.S. Senate approves assistance for apple growers

On February 11, 2002, the U.S. Senate approved an emergency agriculture assistance amendment to the farm bill that will provide the U.S. apple growers with $100 million in direct assistance. The assistance is an attempt to offset a portion of the devastating losses apple growers faced during the 2000/01 marketing year. The Senate approved legislation in July 2001 to provide the nation's apple growers with $150 million in direct market loss assistance payments, as part of a $7.4 billion fiscal 2001 supplemental farm aid bill for 2000 crop losses. However, the final version of the supplemental farm aid bill adopted by Congress was trimmed to $5.5 billion and did not contain the $150 million apple market loss assistance provision.

Organic apple growers in the United States want to form an organic promotion board

A group of organic apple growers is challenging the Washington Apple Commission (WAC) to remove themselves from that promotion group and form a promotion board specifically for organic crops. Organic apple growers, along with producers of other organic crops in the state of Washington, are backing legislation to form an Organic Foods Commission, calling for promotion of all organic crops. One of the provisions of the bill would exempt organic apple growers from paying assessments to the Washington Apple Commission. Organic apple growers argue that WAC does nothing to promote organic apples. However, the commission reportedly has an active organic apple marketing committee. WAC's main job is to promote all apples of the state of Washington, including organic apples. Apparently, the organic apple sector is a very fast-growing segment of the industry and there is concern about how to differentiate and position organic apples vis-à-vis conventionally grown apples.

Southern Hemisphere Briefs

Southern Hemisphere Apple Crop Expected to Decrease in 2001/02

Apple production in selected countries of the Southern Hemisphere in 2001/02 is forecast at 4.4 million tons, down 8 percent from last season's record output. Production declines are expected in the principal southern producing countries of Argentina and Chile.

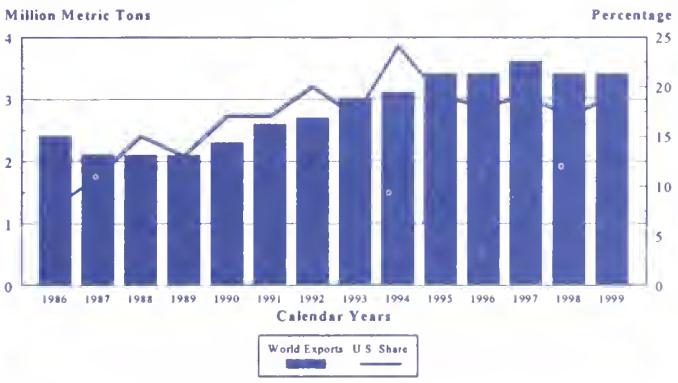
Argentine apple production in 2001/02 is forecast at 1.0 million tons, 25 percent below the 2000/01 crop, due to unfavorable weather. In Argentina, small and medium growers produce the bulk of the fruit. Last season, many growers replanted orchards with higher yielding varieties, such as Pink Lady, Jonagold, and Pacific Rose. Argentina's commercial apple production is located in Rio Negro (75 percent), Neuquen (15 percent), and Mendoza (10 percent).

Chilean apple production in 2001/02 is forecast at 900,000 tons, down 10 percent from the 2000/01 crop. Unstable weather last spring, cloudy skies and lower than normal temperatures will likely hamper apple production in Chile this season. Chilean apple producers continue to diversify their orchards by planting different and more popular varieties such as Fuji, Gala, Jonathan, and Braeburn. However, Red apple varieties still account for about 70 percent of total output and are mainly for the European and Middle East markets. The principal green variety, Granny Smith, is used both for the fresh export market (mainly Europe and the United States) and for concentrated apple juice production.

Southern Hemisphere apple export, however, to increase in 2001/02

Although production will likely be lower, apple exports from selected countries in the Southern Hemisphere in 2001/02 are forecast to increase to 1.3 million tons, 3 percent above last season's shipments. The increase mainly reflects anticipated larger shipments from Argentina and New Zealand. On the other hand, shipments from the largest apple exporter in the Southern Hemisphere, Chile, are expected to decrease this season.

U.S. Share of World Apple Exports Remains Strong



Source: Food and Agriculture Organization (FAO) of the United Nations

The United States has become Chile's largest apple export market. Red apple varieties account for about two-thirds of Chilean exports, but sweet/sour varieties are increasing their share, and Chile's traditional varieties are losing ground. This trend is becoming more evident every year. Production and exports of new varieties, like Fuji, are increasing significantly. The Chilean fruit sector will maintain its voluntary export quality program for apples, table grapes, stone fruit and kiwis shipped to the United States and Europe.

New Zealand's 2001/02 apple exports are forecast at nearly 300,000 tons, a 14 percent increase from the 2000/01 season's shipments. Grower confidence is high in New Zealand and strong export demand for New Zealand's products continue, particularly in England and continental Europe. On October 1, 2001, ENZA, single desk marketing group, became deregulated after more than 50 years. After decades of rigid controls, apple and pear growers are free to sell their own fruit and former monopoly exporter, ENZA, will have to compete with 30-40 other serious marketers.

New Zealand's Top Local Brand Moves into Exporting

The well known New Zealand fruit marketing brand, ***Yummy***, is going to begin exporting apples on its own. The company plans to export around 14,400 tons of their own apples and pears this season. ***Yummy*** is a well-recognized brand and registered worldwide. The group is headed by former ENZA executives.

South African presence in New Zealand's apple industry

South African fruit marketer, ***Capespan***, has confirmed a deal to export a significant volume of the New Zealand apple crop this season under its Cape brand. Up to 18,000 tons of Braeburn and Royal Gala varieties are expected to be shipped to England and to continental Europe this season. At least 50 percent of these apples will come from the company **Fresh New Zealand**. Since the apple industry was deregulated on October 1, 2001, Fresh New Zealand, along with other exporters, has been vigorously competing for fruit supplies with ENZA.

(For information on production and trade, contact Samuel Rosa at 202-720-6086. For information on marketing, contact Ted Goldamer at 202-720-8498. The FAS Attache Report search engine contains reports on deciduous fruit for more than 20 countries. Also, visit our apple web page at: http://www.fas.usda.gov/htp/horticulture/apples/html)

TABLE 1
APPLES: PRODUCTION, SUPPLY, AND DISTRIBUTION IN SELECTED COUNTRIES
(METRIC TONS)

Country Mktg. Year 1/	Production	Imports	Supply Utilization	Exports	Domestic Consumption	Processed	Withdrawals
NORTHERN HEMISPHERE COUNTRIES							
SELECTED EUROPEAN UNION (EU) COUNTRIES							
Belgium-Luxembourg							
1998/99	417,246	232,277	649,523	313,917	202,740	120,000	12,866
1999/00	562,385	215,408	777,793	432,476	199,386	140,000	5,931
2000/01	511,640	229,941	741,581	354,285	206,551	140,000	40,745
2001/02 F	362,190	225,000	587,190	295,000	213,090	79,000	100
France							
1998/99	1,793,900	104,000	1,897,900	630,600	917,300	300,000	50,000
1999/00	2,165,800	80,300	2,246,100	795,500	990,600	310,000	150,000
2000/01	2,300,000	95,000	2,395,000	863,000	1,141,900	310,000	80,100
2001/02 F	2,055,000	105,000	2,160,000	750,000	1,045,000	310,000	55,000
Germany							
1998/99	1,980,000	641,021	2,621,021	65,473	1,690,306	857,000	8,242
1999/00	1,936,000	787,692	2,723,692	67,954	1,815,149	838,000	2,589
2000/01	2,630,802	642,038	3,272,840	72,720	2,080,571	1,108,000	11,549
2001/02 F	1,536,000	854,000	2,390,000	65,000	1,723,000	600,000	2,000
Greece							
1998/99	332,000	11,000	343,000	13,900	284,100	4,000	41,000
1999/00	310,000	14,000	324,000	16,000	271,000	2,000	35,000
2000/01	315,000	14,000	329,000	28,500	249,300	5,500	45,700
2001/02 F	260,000	18,000	278,000	20,000	237,000	1,000	20,000
Italy							
1998/99	2,243,000	20,000	2,263,000	520,000	1,393,000	350,000	0
1999/00	2,196,000	33,000	2,229,000	580,000	1,267,000	350,000	32,000
2000/01	2,267,000	33,000	2,300,000	527,000	1,363,000	390,000	20,000
2001/02 F	2,132,000	33,000	2,165,000	520,000	1,295,000	340,000	10,000
Netherlands							
1998/99	507,000	235,944	742,944	338,956	298,988	100,000	5,000
1999/00	575,000	338,891	913,891	434,050	317,717	147,599	14,525
2000/01	500,000	246,098	746,098	294,402	317,133	122,507	12,056
2001/02 F	475,000	255,000	730,000	286,000	316,000	117,000	11,000
Spain							
1998/99	721,600	210,800	932,400	63,700	688,700	160,000	20,000
1999/00	887,000	193,800	1,080,800	57,300	795,000	196,000	32,500
2000/01	698,500	272,800	971,300	57,800	723,000	170,000	20,500
2001/02 F	890,000	170,000	1,060,000	70,000	750,000	200,000	40,000
Sweden							
1998/99	60,600	87,421	148,021	1,239	141,782	5,000	0
1999/00	66,000	86,655	152,655	4,501	143,154	5,000	0
2000/01	68,000	86,398	154,398	1,328	148,070	5,000	0
2001/02 F	61,000	90,000	151,000	1,000	145,000	5,000	0
United Kingdom							
1998/99	202,500	460,000	662,500	19,600	615,000	27,700	200
1999/00	208,900	460,000	668,900	17,000	615,000	30,041	6,859
2000/01	162,200	455,850	618,050	13,400	582,450	22,000	200
2001/02 F	178,500	460,000	638,500	15,000	598,500	25,000	0
SUBTOTAL SELECTED EU COUNTRIES							
1998/99	8,257,846	2,002,463	10,260,309	1,967,385	6,231,916	1,923,700	137,308
1999/00	8,907,085	2,209,746	11,116,831	2,404,781	6,414,006	2,018,640	279,404
2000/01	9,453,142	2,075,125	11,528,267	2,212,435	6,811,975	2,273,007	230,850
2001/02 F	7,949,690	2,210,000	10,159,690	2,022,000	6,322,590	1,677,000	138,100
OTHER NORTHERN HEMISPHERE COUNTRIES							
Canada							
1998/99	523,380	120,000	643,380	80,000	368,380	195,000	0
1999/00	582,270	111,428	693,698	66,992	401,706	225,000	0
2000/01	532,218	120,692	652,910	62,914	404,996	185,000	0
2001/02 F	495,000	125,000	620,000	60,000	370,000	190,000	0

continued--

TABLE 1
APPLES: PRODUCTION, SUPPLY, AND DISTRIBUTION IN SELECTED COUNTRIES
(METRIC TONS)

Country Mktg. Year 1/	Production	Imports	Supply Utilization	Exports	Domestic Consumption	Processed	Withdrawals
China; Peoples Republic of							
1998/99	19,480,720	27,000	19,507,720	181,000	18,209,700	1,117,020	0
1999/00	20,801,641	21,532	20,823,173	180,939	19,394,136	1,248,098	0
2000/01	20,430,000	24,100	20,454,100	267,924	18,245,326	1,940,850	0
2001/02 F	20,050,000	34,856	20,084,856	281,851	17,647,630	2,155,375	0
Hungary							
1998/99	482,000	8,000	490,000	4,000	194,000	292,000	0
1999/00	420,000	6,000	426,000	6,000	160,000	260,000	0
2000/01	700,000	6,000	706,000	7,000	140,000	559,000	0
2001/02 F	420,000	7,000	427,000	6,000	120,000	301,000	0
Japan							
1998/99	879,100	250	879,350	2,684	741,066	135,600	0
1999/00	927,700	464	928,164	2,445	777,719	148,000	0
2000/01	799,600	2,405	802,005	2,246	670,759	129,000	0
2001/02 F	894,800	3,500	898,300	2,400	745,900	150,000	0
Mexico							
1998/99	370,244	133,721	503,965	0	443,965	60,000	0
1999/00	449,866	155,590	605,456	0	514,456	91,000	0
2000/01	338,245	228,063	566,308	0	496,308	70,000	0
2001/02 F	473,000	145,000	618,000	0	528,000	90,000	0
Poland							
1998/99	1,687,000	20,300	1,707,300	143,000	664,300	900,000	0
1999/00	1,704,000	22,500	1,726,500	187,300	619,200	920,000	0
2000/01	2,285,000	15,000	2,300,000	200,000	650,000	1,450,000	0
2001/02 F	2,350,000	10,000	2,360,000	250,000	660,000	1,450,000	0
Russian Federation							
1998/99	1,249,400	175,000	1,424,400	800	640,000	675,000	108,600
1999/00	964,500	148,435	1,112,935	1,220	493,700	590,000	28,015
2000/01	1,589,600	326,295	1,915,895	1,555	1,065,000	770,000	79,340
2001/02 F	1,270,000	330,000	1,600,000	2,000	800,000	770,000	28,000
Slovakia							
1998/99	83,500	30,400	113,900	2,200	75,000	36,000	700
1999/00	68,300	34,200	102,500	2,900	76,000	23,600	0
2000/01	80,000	27,000	107,000	4,000	78,000	25,000	0
2001/02 F	0	0	0	0	0	0	0
Taiwan							
1998/99	9,781	148,264	158,045	0	158,045	0	0
1999/00	7,970	126,934	134,904	0	134,834	0	70
2000/01	7,670	135,163	142,833	0	142,763	0	70
2001/02 F	7,575	118,000	125,575	0	125,505	0	70
Turkey							
1998/99	2,450,000	4,866	2,454,866	14,481	2,317,635	122,750	0
1999/00	2,500,000	3,559	2,503,559	13,883	2,364,676	125,000	0
2000/01	2,400,000	1,795	2,401,795	16,504	2,265,291	120,000	0
2001/02 F	2,400,000	1,000	2,401,000	18,000	2,263,000	120,000	0
United States 2/ 3/							
1998/99	5,282,724	149,654	5,432,378	666,454	2,380,165	1,973,129	412,630
1999/00	4,822,146	165,483	4,987,629	537,000	2,431,233	2,019,396	0
2000/01	4,837,115	163,630	5,000,745	750,531	2,379,143	1,871,071	0
2001/02 F	4,300,000	170,000	4,470,000	620,000	2,250,000	1,600,000	0
SUBTOTAL OTHER NORTHERN HEMISPHERE COUNTRIES							
1998/99	32,497,849	817,455	33,315,304	1,094,619	26,192,256	5,506,499	521,930
1999/00	33,248,393	796,125	34,044,518	998,679	27,367,660	5,650,094	28,085
2000/01	33,999,448	1,050,143	35,049,591	1,312,674	26,537,586	7,119,921	79,410
2001/02 F	32,660,375	944,356	33,604,731	1,240,251	25,510,035	6,826,375	28,070

continued--

TABLE 1
APPLES: PRODUCTION, SUPPLY, AND DISTRIBUTION IN SELECTED COUNTRIES
(METRIC TONS)

Country Mktg. Year 1/	Production	Imports	Supply Utilization	Exports	Domestic Consumption	Processed	Withdrawals
TOTAL NORTHERN HEMISPHERE COUNTRIES							
1998/99	40,755,695	2,819,918	43,575,613	3,062,004	32,424,172	7,430,199	659,238
1999/00	42,155,478	3,005,871	45,161,349	3,403,460	33,781,666	7,668,734	307,489
2000/01	43,452,590	3,125,268	46,577,858	3,525,109	33,349,561	9,392,928	310,260
2001/02 F	40,610,065	3,154,356	43,764,421	3,262,251	31,832,625	8,503,375	166,170
SOUTHERN HEMISPHERE COUNTRIES							
Argentina							
1998/99	1,316,035	11,858	1,327,893	179,723	330,172	817,998	0
1999/00	847,084	13,280	860,364	95,895	324,670	439,799	0
2000/01	1,330,800	4,352	1,335,152	183,782	363,285	788,085	0
2001/02 F	1,000,000	4,000	1,004,000	250,000	300,000	454,000	0
Australia							
1998/99	334,000	0	334,000	26,402	158,500	149,098	0
1999/00	319,651	0	319,651	36,279	160,000	123,372	0
2000/01	290,000	0	290,000	37,000	130,000	123,000	0
2001/02 F	275,000	0	275,000	32,000	128,000	115,000	0
Brazil							
1998/99	787,300	66,453	853,753	57,449	783,438	0	12,866
1999/00	967,064	38,205	1,005,269	64,479	934,859	0	5,931
2000/01	1,160,125	64,745	1,224,870	35,790	1,148,335	0	40,745
2001/02 F	1,150,000	60,000	1,210,000	30,000	1,180,000	0	100
Chile							
1998/99	1,010,000	203	1,010,203	522,000	100,000	388,203	0
1999/00	760,000	60	760,060	387,700	98,360	274,000	0
2000/01	1,000,000	60	1,000,060	520,100	115,000	364,960	0
2001/02 F	900,000	60	900,060	480,000	112,000	308,060	0
New Zealand							
1998/99	527,384	95	527,479	314,287	113,479	99,713	0
1999/00	553,705	95	553,800	333,000	70,000	150,800	0
2000/01	405,000	23	405,023	252,000	60,000	93,023	0
2001/02 F	462,000	80	462,080	288,000	54,000	120,080	0
South Africa; Republic of							
1998/99	576,264	0	576,264	250,817	150,000	175,447	0
1999/00	581,200	0	581,200	221,770	140,330	219,100	0
2000/01	567,700	0	567,700	228,000	148,000	191,700	0
2001/02 F	570,000	0	570,000	220,000	140,000	210,000	0
TOTAL SOUTHERN HEMISPHERE COUNTRIES							
1998/99	4,550,983	78,609	4,629,592	1,350,678	1,635,589	1,630,459	12,866
1999/00	4,028,704	51,640	4,080,344	1,139,123	1,728,219	1,207,071	5,931
2000/01	4,753,625	69,180	4,822,805	1,256,672	1,964,620	1,560,768	40,745
2001/02 F	4,357,000	64,140	4,421,140	1,300,000	1,914,000	1,207,140	100
WORLD TOTAL							
1998/99	45,306,678	2,898,527	48,205,205	4,412,682	34,059,761	9,060,658	672,104
1999/00	46,184,182	3,057,511	49,241,693	4,542,583	35,509,885	8,875,805	313,420
2000/01	48,206,215	3,194,448	51,400,663	4,781,781	35,314,181	10,953,696	351,005
2001/02 F	44,967,065	3,218,496	48,185,561	4,562,251	33,746,625	9,710,515	166,270

1/ Data for Northern Hemisphere countries are for a July/June marketing year, except for Mexico and France which are August/July. In the Southern Hemisphere the marketing year begins on January 1 of the second year indicated, except for Chile, where the year starts on February 1 of the second year indicated, and New Zealand, where the year starts in October 1 of the first year indicated. Data for Austria, Bulgaria, Denmark, Norway, Romania, and Serbia/Montenegro is not longer available.

2/ The U.S. 1998/99 "withdrawal" estimate captures an estimated 8 percent of the U.S. apple crop that was not utilized. The 8 percent mainly reflects fruit left on the trees becuase of low prices. The United States does not have a a withdrawal program.

3/ U.S. import/export forecasts are based on trends during recent years, trade contacts, and shipments fro July to November 2001.

F=Forecast

TABLE 2
U.S. APPLE EXPORTS
MARKETING YEARS 1996/97-2000/01
(JULY-JUNE)
METRIC TONS

Countries of Destination	2000/01 RANK	1996/97	1997/98	1998/99	1999/00	2000/01	Percent Changed 1999/00-2000/01
Mexico	1	89,659	63,115	119,442	155,057	224,133	45%
Taiwan	2	119,646	113,044	113,139	83,652	110,781	32%
Canada	3	90,464	96,868	92,172	83,945	95,391	14%
Hong Kong	4	46,056	47,372	44,200	23,238	48,440	108%
Indonesia	5	62,201	30,508	18,533	28,271	42,738	51%
United Kingdom	6	23,170	21,000	30,042	23,633	29,502	25%
United Arab Emirates	7	17,805	21,783	26,309	16,103	23,404	45%
Malaysia	8	25,833	13,896	14,346	7,343	19,304	163%
Saudi Arabia	9	19,503	23,169	41,437	15,241	17,487	15%
Venezuela	10	7,330	17,289	19,009	12,382	16,227	31%
Thailand	11	27,517	14,160	12,469	10,437	13,796	32%
Philippines	12	25,757	15,839	19,612	9,990	11,511	15%
Costa Rica	13	5,683	6,931	6,502	5,987	8,885	48%
Guatemala	14	7,083	6,854	7,001	6,090	8,420	38%
Dominican Republic	15	5,010	4,679	5,830	5,295	8,289	57%
Egypt	16	1,654	4,630	5,408	8,596	7,566	-12%
India	17	523	21	543	436	5,976	1271%
Singapore	18	12,311	6,432	10,610	4,283	5,626	31%
China	19	166	262	343	2,144	5,082	137%
Panama	20	3,232	3,569	2,952	2,481	4,458	80%
El Salvador	21	328	1,462	3,097	3,925	4,445	13%
Colombia	22	7,982	8,073	7,828	5,238	4,417	-16%
Israel	23	6,096	1,465	8,168	947	3,251	243%
Bangladesh	24	1,480	1,152	2,070	518	2,924	464%
Honduras	25	1,504	1,809	3,240	1,956	2,720	39%
Trinidad and Tobago	26	929	1,085	900	1,737	2,718	56%
Vietnam	27	1,734	956	1,153	804	2,682	234%
Kuwait	28	3,440	3,024	2,553	2,302	2,539	10%
Sweden	29	5,057	2,155	4,761	525	1,540	193%
Bahrain	30	512	948	818	1,187	1,370	15%
Russia	31	9,848	11,417	2,471	932	1,297	39%
Ecuador	32	2,213	3,464	1,278	101	1,266	1153%
Iceland	33	1,635	1,769	1,794	1,441	1,139	-21%
Yemen	34	0	0	17	238	972	308%
Finland	35	4,409	2,866	2,189	307	867	182%
Sri Lanka	36	1,039	1,611	2,750	607	837	38%
Japan	37	877	514	1,347	1,774	789	-56%
Netherlands	38	769	641	1,948	1,270	614	-52%
Cambodia	39	818	567	226	326	601	84%
Nicaragua	40	503	552	550	895	525	-41%
Brazil	41	16,009	4,315	4,722	608	511	-16%
Spain	42	119	45	7,205	198	507	156%
Barbados	43	147	450	734	348	505	45%
Greece	44	233	400	2,730	0	504	NA
Norway	45	924	779	1,060	169	361	114%
Ireland	46	1,454	964	511	725	360	-50%
Argentina	47	3,458	19	473	139	304	119%
Oman	48	0	40	479	271	271	0%
Peru	49	553	1,128	322	64	214	234%
Jamaica	50	119	106	236	8	204	2450%

continue--

TABLE 2
U.S. APPLE EXPORTS
MARKETING YEARS 1996/97-2000/01
(JULY-JUNE)
METRIC TONS

Countries of Destination	2000/01 RANK	1996/97	1997/98	1998/99	1999/00	2000/01	Percent Changed 1999/00-2000/01
Suriname	51	28	265	173	126	163	29%
Belize	52	94	73	99	48	157	227%
Guyana	53	531	417	274	97	153	58%
Haiti	54	522	1,076	973	919	136	-85%
Chile	55	0	196	120	129	129	0%
Slovenia	56	0	0	0	0	126	NA
French Pacific Islands	57	467	233	314	219	119	-46%
Bermuda	58	88	54	3	10	110	1000%
Netherlands Antilles	59	267	298	110	70	107	53%
The Bahamas	60	43	394	153	32	106	231%
Portugal	61	0	0	909	0	102	NA
New Zealand	62	120	96	90	273	100	-63%
Leeward-Windward Isla	63	33	151	253	60	93	55%
Papua New Guinea	64	0	0	0	0	86	NA
British Pacific Island	65	0	0	0	0	82	NA
Lebanon	66	0	0	16	0	81	NA
Germany	67	39	0	95	103	66	-36%
French West Indies	68	214	382	535	246	51	-79%
Pakistan	69	324	33	0	0	43	NA
Jordan	70	0	0	0	0	30	NA
France	71	19	33	0	0	25	NA
Bulgaria	72	0	0	0	0	21	NA
Switzerland	73	0	0	0	0	21	NA
Belgium-Luxembourg	74	296	18	305	0	21	NA
Malta & Gozo	75	57	0	135	0	21	NA
Qatar	76	0	38	338	62	20	-68%
Afghanistan	77	0	0	21	21	0	-100%
Algeria	78	0	85	0	0	0	NA
Brunei	79	20	59	21	0	0	NA
Burma	80	0	0	21	0	0	NA
Cayman Islands	81	53	81	0	0	0	NA
Denmark	82	0	41	319	0	0	NA
French Guiana	83	61	83	77	39	0	-100%
Italy	84	0	0	2,654	182	0	-100%
Kenya	85	62	0	0	0	0	NA
Macau	86	0	0	0	21	0	-100%
Malawi	87	0	0	0	20	0	-100%
Mauritius	88	0	0	0	0	0	NA
Romania	89	0	31	0	0	0	NA
Senegal	90	0	0	18	0	0	NA
Sierra Leone	91	0	189	0	22	0	-100%
South Africa	92	0	78	60	0	0	NA
Switzerland	93	0	0	0	0	0	NA
Ukraine	94	0	23	0	0	0	NA
Uruguay	95	18	75	66	0	0	NA
Other	96	0	137	105	0	92	NA
Grand Total		668,202	570,230	666,454	537,000	750,531	40%

Source: U.S. Bureau of the Census

World Table Grape Situation and Outlook

United States total fresh market grape production in 2001 is about unchanged from a year ago at 815,992 metric tons. Total California fresh market grape production is expected to be about even at 803,000 tons. Total production during the 2001 season for selected Northern Hemisphere table grape producing countries is expected to decline 2 percent. U.S. table grape exports during 2001 posted a 3-percent increase over the previous year with a stronger market in the United Kingdom and growth to Asian markets continuing.

United States

The table grape industry continues to successfully market its grapes overseas. In 2001, approximately 298,918 tons were shipped at a value of $389 million. Although exports to the largest market, Canada, declined slightly, moderate increases to the United Kingdom and strength in the Hong Kong and Malaysian markets helped to offset any declines. The second largest market for U.S. grapes continues to be Hong Kong with shipments to Malaysia, our fifth largest market, posting large increases during 2001.

During 2001, table grape imports posted a 13-percent decline. About 11 percent and 14 percent fewer grapes were imported from Chile and Mexico, respectively. Argentina, although accounting for less than 2 percent of total imports, more than doubled the amount that they shipped during 2000.

The Market Access Program continues to be an important market development tool to stimulate demand and fuel table grape exports. During marketing year (MY) 2002, the U.S. Department of Agriculture/Foreign Agricultural Service and the California Table Grape Commission will share the cost of undertaking promotional activities in Asia, Latin America, and the United Kingdom.

On February 14, 2002, the Australian Ministry of Agriculture finally approved entry of California table grapes, but under strict conditions, which include fumigation-at-origin. Industry would prefer on-arrival fumigation. The final recommendation was based on an extensive import risk analysis that was completed by Australia on California table grapes over the past few years. In fact, USDA and USTR have worked for more than ten years to obtain table grape access to the Australian market for California. Most recent discussions have focused on the technical aspects of a shipping protocol, with APHIS and AQIS (the Australian quarantine authority) ironing out the final details. USDA will continue to work with the grape industry and the Australians to reassess the program at the end of the first shipping season to review the need for some of the requirements, such as fumigation-at-origin.

Canada

Canada imported about 10 percent fewer grapes during 2001 compared to the previous year. During

2001, the United States supplied about 65 percent of the total grapes imported into Canada; Chile supplied about 22 percent and Mexico only about 6 percent. The remaining 7 percent was shipped from Italy, South Africa, and Argentina. During 2000, Peru began to ship grapes to Canada and last year shipped about 190 tons, nearly six times the amount during 2000.

Mexico

Unfavorable weather conditions in 2001 caused table grape production to drop an estimated 18,370 tons from 2000 and total 171,000 tons for the year. Sources indicate that area planted has been increasing although this is partially offset by the fallowing of older acreage. Water shortages and the lack of available credit are considered limiting factors in expansion efforts.

Mexican grape consumption is increasing but 2001 imports are expected to be about even with the previous year. U.S. table grape exports to Mexico during 2001 totaled 35,380 tons, down 12 percent from 2000. Chile is expected to supply about 40 percent of total imported grapes while the United States is expected to supply the remainder. Chilean shipments do not directly compete with those from the United States; Chile typically exports to Mexico in June and July, while the United States exports primarily during August through December.

Chile

Table grape production is expected to increase 2 percent in 2001 to 955,000 tons. Exports during 2000 reached a high of 596,196 tons with top destinations including the United States, the Netherlands, Mexico, the United Kingdom and Hong Kong. Exports during 2001 declined 9 percent overall but shipments to Mexico were 18 percent higher than 2000 at a level of 32,843 tons valued at $27 million. Chile produces over 36 varieties of table grapes for export. Thompson Seedless, Flame Seedless and Ribier are the bulk of production. Production of the Red Globe variety has increased significantly in the last few years, as most replanting has been with this variety.

China

Production in calendar year 2001 is expected to be 3.80 million tons, up 16 percent from the 3.28 million tons in 2000. Most of China's grape production is made up of 12 different major varieties, Jufeng being the most popular. Red Globe acreage is mainly located on China's east coast. Within this area, growers have experienced some disease problems. Despite reports of efforts to increase the Red Globe production base, near term competition from the Red Globe is expected to be limited. Acreage planted in grape vines is growing along with grape processing, particularly for wine. However, at least for the short term, China remains a net importer of grapes. Despite improving distribution and storage infrastructure for fruit, reported post -harvest gaps still exist supporting continued growth in exports of U.S. table grapes to China. U.S. exports to China decreased in 2001 to 7,117 tons.

Import tariffs in 2002 dropped to 23.2 percent (effective tariff 39 percent) from a level of 40 percent

(effective tariff 58.2 percent) during 2001. This rate is for countries that have most-favored-nation (MFN) trading status with China (i.e. WTO members). The import tariff for countries that do not have MFN trading status with China decreased from 100 percent in 2001 to 80 percent in 2002. The VAT rate remained unchanged at 13 percent. This tariff change is likely to help increase China's grape imports.

U.S. imports of grapes from China, although still very small, almost doubled during 2001. The bulk of the shipments came in during the month of March last year with some very small amounts in early summer.

The trade continues to expect China to become a major competitor to U.S. exports in the next 2 to 5 years, particularly in Southeast Asia. Most current trade data shows that during 2001 China began shipping table grapes to Bangladesh and India. In addition, grape export trade that was established to Sri Lanka in 2000 increased slightly in 2001.

Japan

Japan's table grape production has been on the decline in recent years but imports of grapes, particularly the Thompson Seedless and Red Globe varieties, have helped to ensure a quality product on the Japanese market year round.

Japan's top suppliers include Chile and the United States, but the Japanese also source product from Mexico, Taiwan, and New Zealand. During 2001, Japan was the United States thirteenth largest export market. Chile has increased the value of their grape exports to Japan from $19 million in 1999 to nearly $30 million in 2001. Comparatively, the United States, over the last year, has experienced a loss in market share with value of its shipments measuring only at about $5.5 million. The United States still faces some relatively high tariff rates --17 percent from March through October, and 7.8 percent from November through February.

Although the Japanese economy is struggling to pull out of its long recession, the California Table Grape Commission continues to use Market Access Program funds to help stimulate demand for table grapes. As a result of promotional efforts under the MAP, Japanese consumers are becoming more familiar with the California origin, health benefits and varieties of California grapes.

Greece

About half of the 150,000 hectares planted under vine are devoted to the table grape and dried fruit industries. Greek table grape production estimates for calendar year (CY) 2001 have been increased to a record 328,412 tons. Favorable spring weather conditions during bloom and fruit set allowed for a bumper crop despite a change in weather conditions that ultimately caused the fruit quality to suffer. Export levels remained larger than the previous year but marketability to specific destinations shifted with the quality of the fruit available. Top destination markets typically include: Germany, United Kingdom, the Netherlands, and Eastern European countries such as Poland, Macedonia,

Bulgaria, and Romania. During January – July 2001, availability of lower priced product helped to move larger quantities into the Netherlands, and the United Kingdom. Grapes imported into Greece are minimal and occur either during the off-season or to fill demand of grape varieties not typically grown in country. Most imported product comes from Argentina and Chile.

Italy

Italy is reported to have the largest acreage cultivated with grape vines. Actual area planted for table grapes has remained steady over the last few years but table grape production during 2001 is expected to show a decline of about 3 percent. Italy's top export markets include Germany, France, the United Kingdom and Switzerland. They compete with the United States in our seventh largest market, the United Kingdom. During 2000, Italy exported a total volume of approximately 625,000 tons at a value of $ 457 million. In comparison, during 2000 the United States exported 289,924 tons at a total value of $ 360 million.

Italy imports a very small amount of table grapes from the United States, as they are such a large producer. The Italians source most of their imported table grapes from France and Spain but also import from Central and South American countries such as Costa Rica, Ecuador, and Argentina.

Spain

Table grape production is expected to decline about 9 percent for 2001 from the previous year, due to heavy rains and warmer temperatures. Imported table grapes are mainly from Italy, Chile, France and South Africa. In 2000, the Spanish imported about 19,000 tons. During the first 10 months of 2001, despite lower production, Spain imported fewer grapes, with available data showing a 3-percent decline. Italy, their main supplier, had fewer grapes to market during 2001.

Table grapes are exported mainly to Portugal, Germany, France, the United Kingdom and the Netherlands. During the first 10 months of 2001, Spain's top market for table grapes was the United Kingdom with a volume of 20,000 tons valued at $21.7 million. Total volume and value of grapes exported during January through October 2001 increased 2 percent and 9 percent respectively.

Turkey

Turkey exported 64,873 tons of table grapes in 2000, with top markets including Germany, Austria, and the Russian Federation. In the first 10 months of 2001, Turkey's grape exports were about 29 percent above the same period during 2000 and valued at about $27 million. The sharp devaluation of the lira last year made most exports highly competitive, resulting in increased volumes.

Turkey imported a very small amount of grapes from Chile and South Africa during 2001 and only about half of the amount that it imported in year 2000.

For a complete selection on FAS worldwide reporting visit http://www.fas.usda.gov. Regular grape reports are published for Chile, China, Greece, Italy, Japan, Mexico, South Africa, Spain, and Turkey. Also, please visit our new trade database on line at http://www.fas.usda.gov/ustrade.

Check out the grape web page at http://www.fas.usda.gov/htp/horticulture/grapes.html. For information on production and trade, contact Heather Page Velthuis at 202-720-9792. For information on marketing contact Yvette Wedderburn Bomersheim at 202-720-0911.

TABLE GRAPES: U.S. EXPORTS 1/

Destination	1996	1997	1998	1999	2000	2001	Jan-Dec '01/'00
			---Metric Tons---				-- % Change --
Canada	87,042	97,396	81,505	89,508	95,529	89,138	-7%
Hong Kong	38,547	58,548	31,569	37,017	35,486	46,515	31%
Mexico	10,859	23,920	24,007	30,881	40,109	35,380	-12%
Malaysia	5,858	7,551	3,005	3,589	10,936	24,360	123%
Taiwan	16,326	11,962	8,756	16,629	20,365	14,914	-27%
Philippines	12,734	15,903	6,411	14,066	13,338	14,299	7%
United Kingdom	4,412	5,609	6,934	8,762	11,244	12,320	10%
Venezuela	999	1,936	1,889	2,681	5,325	7,478	40%
Singapore	4,575	5,357	4,631	3,651	6,756	7,202	7%
China	28	454	5,680	928	9,105	7,117	-22%
All Others	33,335	42,013	30,865	31,275	41,731	40,195	-4%
Total	**214,715**	**270,649**	**205,252**	**238,987**	**289,924**	**298,918**	3%

1/ Calendar year for all countries.

SOURCES: U.S. Agricultural Attaché Reports and Bureau of the Census with forecasts by the Foreign Agricultural Service/USDA.

TABLE GRAPES: U.S. IMPORTS 1/

Origin	1996	1997	1998	1999	2000	2001	Jan-Dec '01/'00
			---Metric Tons---				-- % Change --
Chile	292,896	272,333	289,233	274,791	359,678	319,481	-11%
Mexico	60,033	75,713	101,044	87,632	90,749	77,794	-14%
Argentina	0	0	286	630	2,329	5,242	125%
South Africa	3,218	7,450	10,122	13,591	10,393	2,443	-76%
Italy	194	1,142	958	843	1,492	2,317	55%
Peru	254	75	0	55	265	1,045	294%
Canada	2,945	3,202	4,152	5,910	4,447	814	-82%
Brazil	0	12	0	41	329	61	-81%
All Others	286	1	26	35	4	34	750%
Total	**359,826**	**359,928**	**405,821**	**383,528**	**469,686**	**409,231**	-13%

1/ Calendar year for all countries.

SOURCES: U.S. Agricultural Attaché Reports and Bureau of the Census with forecasts by the Foreign Agricultural Service/USDA.

TABLE GRAPES: PRODUCTION, SUPPLY, AND DISTRIBUTION

Country/ Year 1/	Production 2/	Imports 3/	Total Supply	Exports, Fresh Only 3/	Domestic Consumption	For Processing	Market Withdrawal
Northern Hemisphere Countries							
Greece							
1999	287,000	1,413	288,413	102,458	135,955	50,000	0
2000	315,878	1,955	317,833	104,151	170,696	42,986	0
2001	328,412	1,500	329,912	117,000	167,912	45,000	0
Italy							
1999	1,562,000	12,000	1,574,000	578,000	696,000	300,000	0
2000	1,568,000	14,000	1,582,000	625,000	690,000	267,000	0
2001	1,580,000	14,000	1,594,000	635,000	689,000	270,000	0
Japan							
1999	242,000	9,005	251,005	24	219,481	31,500	0
2000	237,500	13,218	250,718	23	222,695	28,000	0
2001	234,200	15,000	249,200	20	219,180	30,000	0
China							
1999	2,708,127	25,859	2,733,986	437	2,273,159	460,390	0
2000	3,280,000	44,156	3,324,156	752	2,691,204	632,200	0
2001	3,800,000	52,408	3,852,408	920	3,015,488	836,000	0
Mexico							
1999	185,615	51,896	237,511	107,830	129,681	0	0
2000	189,370	73,744	263,114	115,414	147,700	0	0
2001	171,000	82,000	253,000	95,000	158,000	0	0
Spain							
1999	370,200	21,000	391,200	100,000	255,000	30,000	6,200
2000	351,000	19,200	370,200	111,000	236,000	20,000	3,200
2001	320,000	25,000	345,000	95,000	230,000	19,000	1,000
Turkey							
1999	3,400,000	233	3,400,233	47,980	1,652,253	1,700,000	0
2000	3,600,000	173	3,600,173	64,873	1,750,300	1,785,000	0
2001	3,500,000	100	3,500,100	70,000	1,700,100	1,730,000	0
United States							
1999	804,882	383,672	1,188,554	238,987	949,567	0	0
2000	822,666	469,749	1,292,415	289,924	1,002,491	0	0
2001	815,922	414,000	1,229,922	298,918	931,004	0	0
Subtotal							
1999	6,851,697	479,219	7,330,916	1,175,279	4,037,937	2,111,500	6,200
2000	7,084,414	592,039	7,676,453	1,310,385	4,219,882	2,142,986	3,200
2001	6,949,534	551,600	7,501,134	1,310,938	4,095,196	2,094,000	1,000

Southern Hemisphere Countries								
Chile								
	1999	815,000	97	815,097	473,525	93,000	248,572	0
	2000	935,000	16	935,016	596,000	95,000	244,016	0
	2001	955,000	12	955,012	580,000	96,000	279,012	0
South Africa								
	1999	227,671	0	227,671	183,716	39,378	4,577	0
	2000	208,000	0	208,000	168,000	36,000	4,000	0
	2001	210,000	0	210,000	170,000	37,000	3,000	0
Subtotal								
	1999	1,042,671	97	1,042,768	657,241	132,378	253,149	0
	2000	1,143,000	16	1,143,016	764,000	131,000	248,016	0
	2001	1,165,000	12	1,165,012	750,000	133,000	282,012	0
Total Selected Countries								
	1999	7,894,368	479,316	8,373,684	1,832,520	4,170,315	2,364,649	6,200
	2000	8,227,414	592,055	8,819,469	2,074,385	4,350,882	2,391,002	3,200
	2001	8,114,534	551,612	8,666,146	2,060,938	4,228,196	2,376,012	1,000

1/ Calendar year for all countries.
2/ U.S. production data represent fresh market utilization.
3/ U.S. exports and imports are from the Bureau of the Census with forecasts by the USDA/FAS
SOURCES: FAS Agricultural Attaché Reports, Bureau of the Census, NASS/USDA.

World Trade Situation and Policy Updates

Mexico Requires Import Permit for U.S. High-Fructose Corn Syrup (HFCS)

On December 31, 2001, The Secretariat of Economy (SE) announced that HFCS imports from the United States must now include an import permit to have access to NAFTA tariff rates (1.5 percent ad valorem). This import permit will be issued automatically by the Secretariat in accordance with Mexico's international rights and obligations. The products affected are: HTS 1702.4099, 1702.5001, 1702.6001, 1702.6002, and 1702.6099. If HFCS is imported without the import permit, SE will apply the general import tariff rate ranging from 156 percent to 210 percent ad-valorem. Despite the fact that the effective date of this requirement is January 15, 2002, SE contacts have indicated that they are not to issue import permits until SE publishes an additional announcement in the *Diario Oficial* regarding more specific procedures on the administration of these import permits. U.S. exports of HFCS to Mexico during CY 2000 totaled 250,000 tons dry basis.

United Kingdom's (UK) Food Standards Agency Calls for Ban on Iranian Pistachios

The UK Food Standards Agency (FSA) is calling for a ban on pistachio imports from Iran following a survey that found high levels of cancer-causing mycotoxins in 10 percent of pistachio samples. The offending products have been removed from sale and the FSA wants the European Commission (EC) to consider re-instating a 1997 ban on Iranian pistachios. The EC has issued Rapid Alert warnings across the European Union. Despite a temporary suspension of Iranian imports in 1997 and a more rigorous testing regime since then, all of the samples over the limits in the survey were imported from Iran. In calendar year 2000, the UK imported 366 metric tons (MT) of pistachios from Iran with a value of $1.4 million. During that same time period, the UK imported 58 MT of pistachios from the United States with a value of $339,000. In calendar year 2000, the European Union (EU) imported 37,000 MT of pistachios from Iran worth $135 million. During that same time period, the EU imported 6,437 MT of pistachios from the United States with a value of $28 million.

USDA Lifts Some Restrictions On Imports of Japanese Unshu Oranges

On January 31, 2002, USDA announced that it would lift some import restrictions on Japanese oranges, which were banned because of concerns of citrus canker. USDA said unshu oranges grown on Japan's Honshu Island and Kyushu Island would be allowed into the United States under certain conditions. Unshu oranges from Honshu Island must first be treated with methyl bromide before shipment to the United States. Kyushu Island oranges may only be imported into non-citrus producing areas of the United States. USDA also said it removed the requirement for individually wrapping unshu oranges imported from Japan and Korea.

Hungarian Market for U.S. Tree Nuts and Grapefruit Set to Improve Due to New Concessions

On January 30, 2002, the United States and Hungary agreed to a package of trade concessions in which Hungary agreed to reduce or suspend tariffs on some key U.S. agricultural (including almonds, pecans and grapefruit) and industrial imports totaling $180 million annually. The Hungarian government will make tariff reductions and tariff rate quota (TRQ) increases that will enter into force by April 1, 2002. This package will improve access to the Hungarian market for

U.S. almonds, pecans and grapefruit. For in-shell almonds, the tariff rate will be lowered from 6.2 percent to 5.6 percent. For shelled almonds, the tariff rate will drop from 6.2 percent to 3.5 percent. The tariff rate for U.S. pecans will decline from 15.5 percent to zero. According to the FAS office in Budapest, Hungary imported $1.3 million worth of U.S. shelled almonds in CY 2000 (80 percent of total). Although Hungary is a currently a small market for U.S. tree nuts, there is potential for growth in the near future. For grapefruit, a TRQ was established for 200 tons. The in-quota rate is 2.4 percent; the out-of-quota rate is 28.8 percent, the same as the previous tariff rate.

U.S. Apples Under Food for Progress Arrive in the Russian Far East

On January 29, 2002, a press conference was held in Vladivostok, Russia to inaugurate the distribution of 2,000 metric tons of fresh U.S. apples to needy children in Russia. The ceremony marked the first time that U.S. apples have been successfully programmed under the Food for Progress program. Over the next eight weeks, the Global Jewish Assistance and Relief Network (GJARN) plans to distribute Gala, Red Delicious and Golden Delicious apples to 400,000 needy children in schools, hospitals, and orphanages. Although GJARN encountered many delays with shipping and customs, GJARN and the U.S. apple industry are confident that the apples will arrive in optimal condition to be consumed by the targeted recipients. The press conference received extensive coverage on local television, national television and in local newspapers.

Canada Extends Its Deadline for Making Preliminary Decision on Antidumping Margins Against U.S. Tomato Exports to Canada; U.S. Commerce Department Issues Final Dumping Margins on Canadian Hothouse Tomatoes

On February 1, 2002, the Canadian Customs and Revenue Agency (CCRA) announced that it extended its deadline for deciding whether to establish preliminary dumping margins on U.S. tomatoes from February 7 until March 25, 2002. On this date, CCRA will issue a preliminary determination or terminate all or part of its investigation. On February 20, the Commerce Department's International Trade Administration (ITA) issued its final determination on dumping margins in the case against Canadian hothouse tomatoes. Final dumping margins ranged from 1.53 percent to 18.21 percent, a decrease from the preliminary duties that had ranged from zero to 33.95 percent. The U.S. International Trade Commission is scheduled to release its final determination on the issue of injury on April 5. In November 2001, the Canadian industry filed a complaint alleging that fresh field tomatoes from the United States had been dumped in Canada, causing harm to Canadian production. In its original complaint, the CTTA estimated that the margins of dumping of U.S. tomatoes ranged from 14 percent to 76 percent of normal value. U.S. imports of greenhouse tomatoes from Canada in 2001 were valued at $96 million, up 23 percent from 2000. U.S. exports of fresh tomatoes, mostly field grown, to Canada in 2001 were valued at $108 million, down 5 percent from 2000.

Japan Increases Monitoring for U.S. Genetically Modified Papaya

On January 30, the Japanese Ministry of Health Labor and Welfare (MHLW) announced a positive finding of unauthorized U.S. genetically modified papaya. The Japanese Ministry of Agriculture, Forestry and Fisheries (MAFF) has approved this U.S. papaya variety; however, Japan requires a second-tier approval through the MHLW. The Papaya Administrative Committee (PAC) has been

working closely with the MHLW to fulfill their extensive data requirements. Due to the finding, MHLW has increased monitoring levels of U.S. papaya imports from five percent to 50 percent. However, if more U.S. unauthorized papayas are found, the MHLW will order 100 percent testing at the costs of importers. U.S. papaya exports to Japan totaled $8 million in CY 2000.

Export News and Opportunities

Every U.S. exporter wants to get paid. However, credit can make or break a deal. It can shift the advantage to you or to your competitor. That's why many exporters turn to U.S. Department of Agriculture's (USDA) Export Credit Guarantee Programs. With USDA's guarantee behind the credit, you can arrange competitive financing with less risk. Your buyers may benefit too, from longer terms and lower rates. In FY 2002, USDA has made available over $4 billion in credit guarantees to facilitate sales to selected developing countries, Western Europe, Japan, Hong Kong, and Taiwan. Invest the time to learn more about the Export Credit Guarantee Programs, (GSM-102) and Supplier Credit Guarantee Program (SCGP), to increase your sales and lower your risks. Use GSM and SCGP to avoid possible importer and foreign bank defaults on payments and ensure that American farm and food products continue to move to markets around the world. USDA does not provide financing, but it guarantees payments due to U.S. exporters in case the foreign banks or importers default.

You may learn more about GSM-102 and SCGP regulations, country specific press releases and program announcements, and a Monthly Summary of Export Credit Guarantee Program Activity on the Internet at:

http://www.fas.usda.gov/export.html

GSM-102

On February 7, USDA amended the GSM-102 program for the Southeast Asia Region for fiscal year 2002. The amendment increases the allocation from $90 million to $190 million. The Southeast Asia Region includes Indonesia, Malaysia, Papua New Guinea, the Philippines, Singapore, Thailand and Vietnam. All other terms and conditions as previously announced remain the same. The previous FAS announcement pertinent to this allocation is PR 0294-01.

Also on February 7, USDA amended the GSM-102 program for the Caribbean Region for fiscal year 2002. The amendment increases the allocation from $120 million to $220 million. The Caribbean Region includes Barbados, Dominican Republic, Grenada, Guyana, Haiti, Jamaica, Netherlands Antilles, St. Lucia, St. Vincent and the Grenadines, and Trinidad and Tobago. All other terms and conditions as previously announced remain the same.

On February 4, USDA amended the GSM-102 program for Mexico for fiscal year 2002. The amendment changes the credit terms from 2 years to 3 years on applications received for guarantee coverage on or after this date of the program announcement. The total FY 2002 allocation for coverage to Mexico under the GSM-102 program remains unchanged at $1.0 billion. Of this amount, $500 million is allocated, and $500 million remains unallocated.

The GSM-102 program makes available credit guarantees for sales of U.S. agricultural commodities overseas. USDA does not provide financing, but guarantees payments due from foreign banks. USDA typically guarantees 98 percent of the principal and a portion of the interest. The GSM-102 program covers credit terms from 90 days to 3 years.

Under the program, once a firm sale exists, the qualified U.S. exporter applies for a payment guarantee before the date of export. The U.S. exporter pays a fee calculated on the dollar amount guaranteed, based on a schedule of rates applicable to different lengths of credit periods. The CCC-approved foreign bank issues a dollar-denominated, irrevocable letter of credit in favor of the U.S. exporter, ordinarily advised or confirmed by the financial institution in the United States agreeing to extend credit to the foreign bank. The U.S. exporter may negotiate an arrangement to be paid as exports occur by assigning the U.S. financial institution the right to proceeds that may become payable under the guarantee, and later presenting required documents to that financial institution. Such documents normally include a copy of the export report. If a foreign bank fails to make any payment as agreed, the exporter or the assignee may file a claim with USDA for the amount due and covered by the guarantee. USDA will pay the U.S. bank and will take on the responsibility of collecting the overdue amount from the foreign bank.

Supplier Credit Guarantee Program

On February 7, the USDA amended the SCGP for the Southeast Asia Region under fiscal year 2002. The amendment increases the allocation from $50 million to $150 million. The Southeast Asia Region includes Indonesia, Malaysia, the Philippines, Singapore and Thailand. All other terms and conditions as previously announced remain the same. The previous FAS announcement pertinent to this allocation is PR 0324-01.

On January 30, the USDA authorized $10 million in supplier credit guarantees for sales of U.S. agricultural commodities to South Africa under the SCGP for fiscal year 2002. Exporters may apply for credit guarantees on a first-come, first-served basis to cover sales of any of the commodities specified in the GSM list of commodities published in FAS program announcement PR 0096-01, issued March 20, 2001, or as superseded. The latest commodity list can be obtained by accessing the FAS home page as specified below. The allocation does not assign dollar amounts to any of the commodities specified in the GSM list of commodities, providing buyers and sellers maximum flexibility in arranging the size of their transactions within the scope of the overall allocation.
On January 28, USDA clarified information required in applications for the SCGP. FAS program announcement PR 0029-02 provides information to more fully identify the obligor of the payment guarantee and payment instrument, as well as provide necessary information under 7 CFR part 1493, subpart D, Section 1493.520(a) wherein CCC will provide notification to the importer of CCC's rights under the subrogation agreement to recover all moneys in default where CCC has made payment of loss to the exporter or the exporter's assignee.

The SCGP is unique because it covers short-term financing extended directly by U.S. exporters to foreign buyers and requires that the importers sign a promissory note in case of default on the CCC-backed payment guarantee. The SCGP emphasizes high-value and value-added products, but may include commodities or products that also have been programmed under the GSM-102 program.

The SCGP encourages exports to buyers in countries where credit is necessary to maintain or increase U.S. sales but where financing may not be available without CCC guarantees. Under the SCGP, CCC guarantees a portion of payments due from importers under short-term financing (up to 180 days) that exporters have extended directly to the importers for the purchase of U.S.

agricultural commodities and products. These direct credits must be secured by promissory notes signed by the importers. CCC does not provide financing but guarantees payment due from the importer.

GSM-102 and SCGP

The following tables present the FY 2002 GSM-102 and SCCP for which USDA has allocated credit guarantees for sales of U.S. horticultural products. The table also includes horticultural sales (exporter applications received) that have been registered under GSM-102 and SCGP. For most countries and regions, exporters may apply for credit guarantees on a first-come-first-served basis to cover sales of any of the eligible commodities published in FAS program announcement PR 0096-01, issued March 20, 2001 or as superseded. The following horticultural products are eligible under the export credit guarantee programs: dried fruit; fresh fruit; frozen fruit; canned fruit; 100-percent fruit juices; fruit and vegetable concentrates, pastes, pulps and purees; honey; hops or hops extract; beer; tree nuts; fresh vegetables; canned vegetables; dried vegetables; wine; and brandy. The General Sales Manager will consider requests to establish an SCGP and/or GSM Program for a country or region or amend an authorized program to include horticultural commodities and products that are currently not eligible.

(For further information on the SCGP or GSM-102 Program for horticultural commodities, contact Yvette Wedderburn Bomersheim on 202-720-0911 or Rochelle Foster on 202-720-2936).

FY 2002 SCGP COVERAGE

Country	Commodity	Announced Allocations	Exporter Applications Received	Balance
		--coverage in millions of dollars--		
Algeria		10.00	0.00	10.00
Baltic Region		20.00	0.00	20.00
Caribbean Region		10.00	0.75	9.25
Central America Region		50.00	11.03	38.97
Central Europe Region		20.00	0.00	20.00
China/Hong Kong Region		50.00	0.01	49.99
	Wine (180)		0.01	
Egypt		20.00	6.10	13.90
	Fruit, Fresh (180)		0.70	
India		25.00	0.00	25.00
Israel		20.00	0.00	20.00
Japan		50.00	0.00	50.00
Kazakhstan		15.00	1.42	13.58
Kenya		2.00	0.00	2.00
Korea		50.00	0.34	49.66
	Fruit, Canned (180)		0.07	
	Fruit, Fresh (180)		0.20	
	Wine (180)		0.07	
Mexico		0.00	37.44	(37.44)
	Fruit, Fresh (180)		0.03	
	Wine (180)		0.01	
Poland		10.00	0.00	10.00
Russia		20.00	0.90	19.10
South America Region		20.00	0.08	19.92
Southeast Asia Region		50.00	46.74	3.26
	Fruit, Fresh (180)		0.20	
	Fruit Juice Concentrate (180)		0.01	
	Wine (180)		0.01	
Southeast Balkans Region		75.00	0.30	74.70
Southeast Europe Region		20.00	0.00	20.00
Sri Lanka		10.00	0.00	10.00
Taiwan		50.00	0.00	50.00
Turkey		10.00	0.00	10.00
West Africa Region		35.00	0.90	34.10
Western Europe Region		50.00	0.00	50.00
Yemen		10.00	0.00	10.00

FY 2002 GSM-102 COVERAGE

Country	Announced Allocations --coverage in millions of dollars--
Algeria	50.00
Baltic Region	15.00
Caribbean Region	120.00
Central America Region	250.00
Central Europe Region	10.00
China/Hong Kong Region	300.00
Dominican Republic	25.00
East Africa	5.00
Egypt	100.00
India	25.00
Jordan	10.00
Kazakhstan	10.00
Korea	330.00
Malaysia	30.00
Mexico	500.00
Morocco	10.00
Philippines	100.00
Poland	25.00
Romania	25.00
Russia	20.00
South America Region	600.00
Southeast Asia Region	90.00
Southeast Europe Region	25.00
Southern Africa Region	50.00
Sri Lanka	35.00
Thailand	100.00
Tunisia	20.00
Turkey	345.00
West Africa Region	14.00

Top United States Horticultural Product Exports By Value

Ranked In Terms of Highest Value (includes only products with specific commodity definitions)

Commodity	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001	Oct. - Dec. FY 2001	Oct. -Dec. FY 2002
				--- 1,000 Dollars ---			
Almonds	879,032	772,891	696,818	580,815	682,680	253,289	256,222
Essential Oils	622,219	532,623	507,651	591,583	674,715	145,355	160,015
Wine & Wine Prdts	390,376	510,923	545,287	538,143	548,601	137,732	120,163
Fresh Apples	412,855	328,068	375,869	336,444	414,227	121,540	100,017
Fresh Grapes	313,836	274,953	283,865	332,162	390,322	179,092	178,058
Frz. Potato Fries	294,417	313,209	343,216	339,553	359,945	93,206	82,061
Oranges	308,055	339,114	159,585	268,808	304,406	47,402	34,756
Orange Juice All	305,172	295,564	307,165	290,395	251,043	62,435	54,555
Proc. Tomatoes	229,526	233,209	220,380	221,306	227,506	58,126	57,732
Nursery Products	185,316	220,055	229,737	216,722	215,261	63,249	50,705
Fresh Lettuce	146,640	173,746	157,262	180,099	201,531	57,177	50,745
Grapefruit	240,408	189,744	221,443	208,329	200,273	52,959	49,209
Beer	341,784	280,088	211,861	177,241	199,782	44,403	40,271
Potato Chips	145,468	226,987	257,355	243,824	182,895	56,102	47,868
Walnuts	195,209	153,863	154,449	149,315	175,541	100,552	104,152
Fresh Cherries	140,650	113,556	154,793	169,516	159,885	1,224	822
Prunes	138,398	133,732	133,885	131,697	151,664	43,536	41,374
Fresh Tomatoes	123,789	122,345	127,153	148,312	150,990	44,035	39,469
Raisins	204,388	199,733	198,817	145,861	150,869	46,778	40,012
Proc. Sweet Corn	167,490	139,068	148,050	146,591	120,893	33,952	35,617
Total Other	4,838,913	4,765,679	4,864,543	5,121,136	5,296,828	1,337,274	1,352,815
GRAND TOTAL	10,623,941	10,319,150	10,299,184	10,537,852	11,059,857	2,979,418	2,896,638

Top United States Horticultural Product Exports By Volume

Ranked In Terms of Highest Value (includes only products with specific commodity definitions)

Commodity	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001	Oct. - Dec. FY 2001	Oct. -Dec. FY 2002
Fresh Apples	690,595	539,685	664,969	571,860	742,377	220,787	170,768
Oranges	569,739	609,433	247,419	490,867	541,338	91,618	56,122
Frz. Potato Fries	396,738	438,425	468,826	469,287	505,641	131,796	117,434
Orange Juice All	565,332	553,175	554,951	550,888	464,112	107,086	92,480
Grapefruit	484,417	387,216	428,784	390,958	390,498	101,840	95,457
Fresh Onions	265,859	292,328	257,089	333,775	357,427	143,391	107,221
Fresh Lettuce	294,571	303,816	312,563	328,600	350,247	97,016	95,829
Wine & Wine Prdts	208,786	266,294	274,696	281,475	311,924	80,395	66,706
Fresh Grapes	236,400	214,569	221,158	272,901	303,583	138,134	133,470
Beer	536,362	425,523	330,158	278,522	300,673	65,846	59,668
Proc. Tomatoes	293,112	300,327	264,369	277,277	297,129	77,004	74,378
Almonds	187,953	202,968	200,847	220,099	258,543	91,662	110,993
Fresh Melons	219,695	211,310	247,448	250,860	234,887	27,403	28,997
Fresh Tomatoes	153,657	133,687	148,271	181,892	173,470	42,031	49,176
Pears	126,603	156,807	145,816	162,629	158,199	63,704	72,683
Fresh Broccoli	130,999	126,791	154,514	182,848	157,465	30,926	31,953
Proc. Sweet Corn	203,613	171,294	186,153	187,818	150,891	43,739	39,750
Peaches	103,442	80,023	97,974	113,098	129,221	8,497	11,976
Lemons	120,330	113,392	113,931	106,249	110,507	29,896	28,642
Raisins	115,215	120,741	104,225	83,832	109,877	32,974	29,269

1/ Wine and beer is reported in 1,000 liters, orange juice in 1,000 single strength liters, and all other groups in 1,000 kilograms

Source: U.S. Department of Commerce, Bureau of the Census.

Top United States Horticultural Product Imports By Value

Ranked In Terms of Highest Value (includes only products with specific commodity definitions)

Commodity 1/	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001	Oct. - Dec. FY 2001	Oct. - Dec. FY 2002
				--- 1,000 Dollars ---			
Beer	1,443,326	1,677,002	1,865,038	2,126,018	2,296,135	482,655	534,267
Wine & Wine Prdts	1,629,254	1,829,709	2,150,057	2,271,185	2,283,829	671,341	703,811
Bananas & Plantns	1,194,458	1,188,442	1,180,227	1,098,409	1,125,986	265,105	287,793
Nursery Products	565,267	632,672	673,194	745,977	789,101	199,814	202,709
Fresh Tomatoes	611,612	735,180	713,121	608,428	755,045	158,343	124,913
Fresh Grapes	386,183	440,659	545,409	518,260	581,556	76,173	66,639
Cut Flowers	572,926	630,067	578,766	623,213	577,418	130,159	118,212
Fresh Peppers	251,908	343,606	324,880	451,848	507,988	85,464	87,123
Cashews	292,315	339,490	390,111	487,687	366,689	98,452	97,384
Frz. Potato Fries	156,831	216,576	252,437	321,914	338,228	83,573	99,872
Essential Oils	322,447	350,086	315,861	309,570	300,590	77,946	84,881
Fresh Melons	226,502	250,921	277,880	259,797	285,704	49,729	48,415
All Apple Juices	354,632	228,735	210,263	278,975	230,406	57,933	59,915
Olives	184,217	181,730	200,293	184,928	204,810	51,763	54,113
Fresh Cucumbers	100,823	154,634	138,241	168,771	200,549	46,061	46,060
All Orange Juices	240,072	211,353	285,947	243,298	185,093	46,871	37,232
Fresh Onions	127,447	151,990	135,574	131,705	168,116	45,786	43,998
Fresh Mangos	123,009	125,047	138,823	142,010	152,116	16,040	20,625
Fresh Pineapple	74,441	83,676	121,679	117,539	151,753	38,624	40,124
Total Other	4,222,577	4,604,941	5,368,446	5,315,151	5,509,420	1,473,959	1,482,384
GRAND TOTAL	13,080,247	14,376,516	15,866,247	16,404,683	17,010,532	4,155,791	4,240,470

1/ Nursery Products excludes cut flowers.

United States Top Horticultural Product Imports By Volume

Ranked In Terms of Highest Value (includes only products with specific commodity definitions)

Commodity 1/ 2/	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001	Oct. - Dec. FY 2001	Oct. - Dec. FY 2002
Beer	1,612,379	1,869,577	2,072,394	2,290,532	2,490,735	518,463	581,397
Wine & Wine Prdts	432,192	428,664	420,152	481,164	510,730	135,927	152,451
Bananas & Plantns	3,911,294	4,135,832	4,369,283	4,350,838	4,046,727	1,003,449	1,016,593
Nursery Products	2,206,085	2,460,306	2,765,772	2,860,569	2,926,298	634,505	642,109
Fresh Tomatoes	743,205	856,852	722,591	708,690	868,118	160,464	115,887
Fresh Grapes	857	1,039	978	1,185	1,061	104	83
Cut Flowers	2,770,092	2,770,186	2,707,948	2,804,568	2,642,134	629,568	598,242
Fresh Peppers	284,221	319,671	345,444	352,169	346,518	67,138	81,638
Frz. Potato Fries	269,794	353,931	397,455	470,605	519,751	125,699	155,563
Fresh Melons	779,005	860,437	873,032	898,995	878,214	166,810	157,575
All Apple Juices	1,084,986	1,016,823	1,140,355	1,171,502	1,230,760	266,466	337,650
Fresh Cucumbers	302,306	327,745	336,045	346,863	373,596	98,951	93,492
All Orange Juices	1,116,798	1,063,239	1,326,231	1,284,749	976,227	271,310	212,267
Fresh Onions	261,088	259,188	246,532	224,080	269,156	62,201	80,014
Fresh Mangos	191,115	188,767	212,992	231,078	229,492	24,145	32,605
Fresh Pineapple	171,253	255,533	272,601	304,207	333,476	90,840	78,662
Fresh Squash	141,192	157,537	151,916	156,520	168,099	47,651	52,751
Frozen Broccoli	169,458	153,962	186,187	164,090	168,988	48,235	48,635
Fresh Apples	168,564	156,700	158,550	170,490	156,593	15,213	15,740

1/ Wine and beer is reported in 1,000 liters, orange juice in 1,000 single strength liters, and all other groups in 1,000 kilograms.
2/ Nursery Products excludes cut flowers.
Source: U.S. Department of Commerce, Bureau of the Census.

NTIS® Foreign Agricultural Service Trade Publications Order Form

1-800-363-2068 or (703) 605-6060
Fax this form to (703) 605-6880
To verify receipt of your fax order, call (703) 605-6060.

U.S. DEPARTMENT OF COMMERCE
Technology Administration
National Technical Information Service
Springfield, VA 22161

To order subscriptions, call 1-800-363-2068 or (703) 605-6060.
TDD (for hearing impaired only), call (703) 487-4639.

Please PRINT or TYPE

SHIP TO ADDRESS

CUSTOMER MASTER NUMBER (IF KNOWN) | DATE

ATTENTION/NAME

ORGANIZATION | DIVISION / ROOM NUMBER

STREET ADDRESS

CITY | STATE | ZIP CODE

PROVINCE / TERRITORY | INTERNATIONAL POSTAL CODE

COUNTRY

PHONE NUMBER ( ) | FAX NUMBER ( )

CONTACT NAME | INTERNET E-MAIL ADDRESS

METHOD OF PAYMENT

☐ VISA ☐ MasterCard ☐ American Express ☐ Discover

CREDIT CARD NUMBER | EXPIRATION DATE

CARDHOLDER'S NAME

☐ NTIS Deposit Account Number:

☐ Check/Money Order enclosed for $ (PAYABLE TO NTIS IN U.S. DOLLARS)

ALL SALES ARE FINAL

NTIS electronically stores our collection of almost 3 million items and custom-reproduces a single copy specifically for your order. Therefore, NTIS does not accept cancellations, requests for modifications, or returns for credit or refund. All sales are final. If you believe the item you received is defective or if we made an error in filling your order, please contact our Subscriptions Department via e-mail at subscriptions@ntis.gov or by phone at 1-800-363-2068 or (703)605-6060.

SINGLE COPIES

To order, call NTIS Sales Desk 1-800-553-NTIS (6847) or (703) 605-6000; fax to (703) 605- 6900; or E-mail to: orders@ntis.gov.

For single copies, add $5 handling fee per total order for U.S., Canada, Mexico; $10 per total order for all other countries. RUSH service is available for an additional fee; please call the NTIS Sales Desk for details.

NO. OF SUBSCRIPTIONS	ORDER NO.	TITLES	PRICES* DOMESTIC	PRICES* INT'L	TOTAL PRICE
______	SUB9737LJX	AgExporter Magazine (12 issues)	60.00	120.00	$
______	SUB9708LJX	Cotton: World Markets & Trade (12 issues)	120.00	240.00	
______	SUB9710LJX	Dairy Monthly Imports (12 issues)	108.00	216.00	
______	SUB9739LJX	Dairy: World Markets & Trade (2 issues)	24.00	48.00	
______	SUB9713LJX	Grain: World Markets & Trade (12 issues)	132.00	264.00	
______	SUB9711LJX	Livestock & Poultry: World Markets & Trade (2 issues)	24.00	48.00	
______	SUB9735LJX	Monthly Summary of Export Credit Guarantee Program Activity (12 issues)	108.00	216.00	
______	SUB9715LJX	Oilseeds: World Markets & Trade (12 issues)	132.00	264.00	
______	SUB9717LJX	Sugar: World Markets & Trade (2 issues)	28.00	56.00	
______	SUB9718LJX	Tobacco: World Markets & Trade (4 issues)	60.00	120.00	
______	SUB9707LJX	Tropical Products (Coffee, Spices, Essential Oils) (4 issues)	60.00	120.00	
______	SUB9736LJX	U.S. Export Sales (52 issues)	312.00	624.00	
______	SUB9734LJX	Wood Products: International Trade & Foreign Markets (5 issues)	62.00	124.00	
______	SUB9719LJX	World Agricultural Production (12 issues)	132.00	264.00	
______	SUB9714LJX	World Horticultural Trade & U.S. Export Opportunities (12 issues)	132.00	264.00	

Prices are subject to change.

* Prices include first-class delivery or equivalent service for domestic (U.S., Canada, and Mexico); airmail delivery for international (all other countries).

GRAND TOTAL $

Thank you for your order!

2/2001

UNITED STATES DEPARTMENT OF AGRICULTURE
FOREIGN AGRICULTURAL SERVICE
1400 INDEPENDENCE AVENUE, SW
WASHINGTON, DC 20250-1004

For questions concerning your subscription or change of address, PRINT OR TYPE the new address, including ZIP code and return this sheet to:

U.S. DEPARTMENT OF COMMERCE
TECHNOLOGY ADMINISTRATION
NATIONAL TECHNICAL INFORMATION SERVICE
SPRINGFIELD, VA 22161

For questions or concerns on the data included in this publication, contact us at the address shown above.

Now Available On-Line

Summaries and selected tables from many Foreign Agricultural Service world market and trade reports are available electronically. The reports include U.S. Export Sales (available electronically after 8:30 a.m. on release day); Grain: World Markets and Trade; Oilseeds: World Markets and Trade; Cotton: World Markets and Trade; Tobacco: World Markets and Trade; World Agricultural Production; the early release version of World Horticultural Products and U.S. Export Opportunities; and Tropical Products: World Markets and Trade (all available electronically after 3:00 p.m. Washington DC time on release day) as well as Sugar: World Markets and Trade; Livestock and Poultry: World Markets and Trade; Dairy: World Markets and Trade, and U.S. Planting Seed Trade (available within a week after release.)

You can read the reports on the FAS home page (http://www.fas.usda.gov). The reports remain "current" until the succeeding issue is available. Older issues are available in the archives section of the home page. We also make selected cover articles and graphics available from these publications, in a separate section of the site. Reports are also available from the Economic Bulletin Board at Stat-USA, on the same schedule. For more information, you may contact Stat-USA at (202) 482-1986 (Monday-Friday, 8:30-5:30 p.m. Washington, DC time.)

For more information on the FAS home page, contact Harold Kanarek, tel. (202) 720-0328; fax. (202) 720-1727; or via e-mail kanarekH@fas.usda.gov